

Case-in-point

CDCs and Inter-Municipal Partnerships: The Pelly Trail CDC

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Project Summary and Introduction:

Community Development Corporations (CDC's) are incorporated companies mandated to promote community and economic development in Manitoba's communities. CDCs have a wide range of powers that include the ability to issue small business loans, own and sell property and form partnerships.



Location of the Pelly Trail CDC Municipalities (courtesy MB. Community Profiles)

Partnerships are key to any CDCs success. CDCs forge partnerships with local and regional economic development organizations to promote community development. The most important partnerships however, are inter-municipal partnerships that form between the member municipalities of each CDC.

This case study examines one such example of inter-municipal partnerships. The Pelly Trail CDC (PTCDC) is a CDC that exists in western Manitoba. The PTCDC is formed of five member municipalities. These include the Town and RM of Russell, the Village of Binscarth, and the RM's of Silver Creek and Shellmouth-Boulton.

Why the Pelly Trail CDC?

The Pelly Trail CDC municipalities face issues common to much of western Manitoba. Low population growth, aging communities and competition for new commercial development is today's reality for many rural communities. The PTCDC municipalities however, work together to overcome these barriers. Inter-municipal partnerships allow PTCDC municipalities to reduce local competition for new businesses, focus on youth retention and plan for the long- term economic and social health of their communities.

This case-in-point examines two PTCDC projects that utilize inter-municipal partnerships. The case-in-point then examines the planner's role in fostering partnerships. "Lessons learned" by planners involved with such partnerships will also be explored. It is hoped that planners will find this case-in-point a useful guide to understand the skills and tools needed to foster successful inter-municipal partnerships.

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CDCs and Inter-Municipal Partnerships: The Pelly Trail CDC

BACKGROUND

What is a CDC?

Community Development Corporations (CDCs) are incorporated companies situated in rural and urban communities in Manitoba. The mandate of CDCs is to promote the long term community and economic objectives of its member municipalities and residents (CDC Resource Manual 1998).

CDCs are designed to use the "...local experience and expertise (of its residents) to foster social and economic growth. The CDC...serves its residents through initiatives delivered by local leaders and volunteers" (CDC Resource Manual 1998).



Successful CDCs depend on many people working together.

Characteristics of Community Development Corporations (CDCs)

- CDCs have an overall mission statement that guides their day-to-day operation and long term strategies.
- CDCs can incorporate more than one municipality. Partnerships are based on a voluntary basis between municipal councils.
- CDCs work closely with local municipal councils, community groups (local Chambers of Commerce, local businesses) and other community development groups
- CDCs receive funding from municipal councils, local development organizations, provincial funding programs and all CDC initiatives

Key functions and powers of CDCs

CDCs have nine basic functions. Four functions relate to the issue of inter-municipal partnerships that this casebook is examining. These functions include:

Strategic planning: CDCs can strategically plan. CDC strategic plans address business, commercial and industrial development in their member municipalities by assessing current resources and by predicting future directions for development. CDCs short and

long term goals address the needs of all CDC member municipalities simultaneously.

Liason: CDCs coordinate development objectives of local and regional development organizations. CDCs also can ensure consistency of economic development objectives and coordinate local resources between stakeholders to promote development.

Promotion: CDCs promote their municipalities as good places to visit, live, or develop a new business. CDCs promote the resources and services of their CDC region through newspapers and other media types.

Business Assistance: CDCs assist businesses in organizing local business partnerships and training seminars. CDCs promote locally made products and services through advertising and trade-fairs.

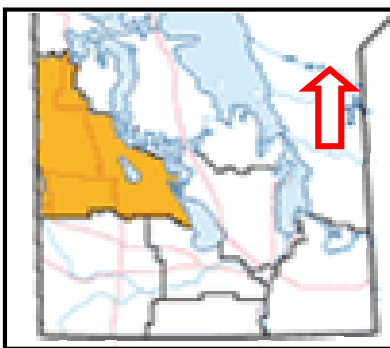
Partnerships

One of the key characteristics of CDCs is their ability to foster partnerships. CDCs forge partnerships with (and between) municipal councils, local business leaders, other development organizations, schools, youth and the community at large.

Partnerships are key for CDCs to operate successfully. The following section discusses inter-municipal partnerships found within the Pelly Trail Community Development Corporation. Two examples of inter-municipal partnerships will be discussed as well as the characteristics of successful partnerships.

CASEBOOK STUDY

Inter-Municipal Partnerships: The Pelly Trail CDC



Location of PTCDC communities

The Pelly Trail Community Development Corporation is located in southwestern Manitoba. The member municipalities are located between Riding Mountain National Park and the Saskatchewan Border, approximately a 3-½ hours drive from Winnipeg.

The Pelly Trail Community Development Corporation area is home to approximately 4,000 people, and has a trading area of approximately 15,000 people (Pelly Trail Economic Development web site: March 2003).

The Pelly Trail area is facing planning challenges in terms of “no growth” or “low growth”. Issues of rural depopulation, youth migration and an aging population impact the economic and community health of each of Pelly Trail municipality. As such the need for inter-municipal partnerships to promote and sustain healthy communities and economies are a key method to deal with such factors.

Pelly Trail CDC (PTCDC)

The Pelly Trail CDC evolved for three main reasons. These reasons being economic, social and heritage.

Economic

Each municipality represented in the Pelly Trail CDC has their own range of diverse economic opportunities and prospective initiatives. Grain farming and cattle ranching however, are the two economic sectors common to all PTCDC municipalities.

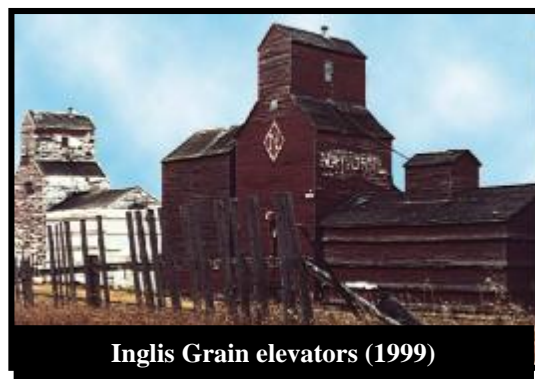
Social

Social interaction between residents of different communities is key to a dynamic and healthy region. No community can survive as an island unto itself. Activities that bring together residents improve the quality of life for all residents in the entire Pelly Trail area.

Heritage

The region has a proud history dating back to its importance during the days of the Hudson's Bay forts. The area was an ideal centre for goods distribution to York Factory and Fort Garry during the mid nineteenth century.

Because of their shared characteristics, and shared concerns for the future, the PTCDC municipalities have defined inter-municipal partnerships as a key means to plan for a viable present and a prosperous future. Two examples of inter-municipal partnerships under the PTCDC will now be examined. These include an inter-municipal tax sharing agreement and a youth bursary program supported by all PTCDC municipalities.



Inglis Grain elevators (1999)

Inter-Municipal Tax Sharing

An innovative inter-municipal tax sharing partnership exists between all five PTCDC municipalities. The current partnership came into existence on January 1st, 2000.

The tax sharing agreement originated out of a tax dispute between the Town and RM of Russell in 1994. The dispute resulted in a tax sharing agreement between the Town and the Rural Municipality in 1994. Subsequent events such as the amalgamation of the RM's of Shellmouth and Boulton in 1999 set the background context for the current tax sharing agreement shared by all PTCDC municipalities today.

This tax sharing partnership functions by allowing each municipality to share in the tax revenue created by any new commercial development built within the PTCDC area. For instance, while a new commercial development may be built in the RM of Russell, all five municipalities share in its tax revenues.

Structure:

After each given year, each municipality must provide the PTED with their total new commercial assessments created within their municipality for that given year. Tax revenues are then placed within a tax sharing pool maintained by the PTED. (PTED is the economic development component of the PTCDC).

The amount of tax revenue provided for each municipality varies, and is based on other factors such as total new assessments per municipality and the size and population of each municipality. The key point to remember however is that each municipality partners with the other PTCDC municipalities to share their tax revenues.

Commercial tax pool:

The PTCDC municipalities receive a certain portion of the total yearly tax pool. The second portion of the tax pool is placed within an Economic Development Fund. This fund is used jointly by all PTCDC municipalities for common economic development initiatives such as business marketing and the ongoing operation of PTCDC office.

Benefits of the Pelly Trail tax partnership

There are several key benefits of the Pelly Trail tax sharing partnership. These include:

- Reduced annexation tensions: -municipalities can threaten the annexation of adjacent commercial properties if they feel their share of tax revenues from a certain project is unfair. The tax sharing partnership benefits everyone, therefore reducing the threat of annexation.
- Reduced local competition: – municipalities can work together to help attract new commercial businesses, with each municipality benefiting from any development.
- Increased regional competition: - by cooperating together in attracting new businesses, the PTCDC municipalities can better compete against larger urban centres when attracting new businesses.

Economic Development Fund: - this joint fund is aimed at supporting economic development initiatives that benefit all PTCDC municipalities. The fund is a “common fund” and cannot be used by only one municipality. All municipalities (through the PTCDC) agree on how fund revenues are spent.

Student Youth bursary Program:

The PTCDC municipalities also partner to support local youth who have completed a post secondary education and who are thinking of living or returning to the region.

The PTCDC municipalities offer a cash bursary of between \$ 2,500 to \$ 10,000 to one student (maximum two) who have completed some form of post secondary education and who are guaranteed employment by a local business within the region. Each municipality donates funds towards the bursary program which is awarded on a yearly basis.

The bursary is offered on a competitive basis. A board of judges determines how well each student's skills and opportunities match the needs of the region itself. The candidate whose skills best match the needs of the PTCDC communities receives the award for that year.

This example of a partnership benefits the Pelly Trail region in three ways. These include:

- Investing in future leaders: - by providing youth with financial assistance to move / return to the region, the Pelly Trail municipalities are retaining their future business and community leaders
- Investing in long term economic development: - youth that reside in the Pelly Trail municipalities shop, spend, and work in the region. Assisting youth to move to the region, the Pelly Trail municipalities are investing in future families, new businesses and local economic development.
- Investing in new ideas: - youth bring new skills, innovative business ideas and energy into their communities.

Challenges of Inter-Municipal Partnerships:

Several challenges exist when municipalities form tax sharing or service partnerships. These include:

Calculation of service costs / tax revenues: Service costs and tax revenues are not always calculated on an equal basis. Arguments may arise over how much a municipality feels it should pay for providing services or receive in tax revenue. It is best that a neutral party (like a lawyer) is involved in the drafting of any service or tax sharing partnerships to help resolve these differences.

“Large project developments”: Certain municipalities may be undergoing large developments which will greatly increase local tax revenue. Municipalities may not want to share the proceeds from large scale projects when they feel that other municipalities

are not attracting as much commercial / industrial development within their own boundaries.

“Differences of opinion”: In partnerships municipalities must share common goals and objectives in regards to development. Municipalities may have vastly different economic and community development objectives. Common objectives must be worked out among all partnering municipalities before successful economic or community development partnerships can occur.

It is within the context of these above challenges where the skills of planners can become useful in helping CDCs and their municipalities forge successful inter-municipal partnerships. This next section outlines how planners can help foster successful inter-municipal partnerships.

THE ROLES THAT PLANNERS CAN PLAY IN FOSTERING INTER-MUNICIPAL PARTNERSHIPS- *by Bill Budd*

How can planners support Inter-Municipal Partnerships?

There are several key roles that planners can play in fostering inter-municipal partnerships. Key roles that planners can play in fostering partnerships include:

1) Facilitation - Help Establish Community Development Partnerships:

One of the planner’s greatest skills is facilitating community strategic planning through regional round tables and community vision and action plans. Planners help municipalities determine their needs, objectives and long term goals in forming partnerships with each other. Planners use tools such as “visioning exercises”, SWOT analysis, and round table discussions. These tools help municipal leaders and citizens identify what they want (and need) in partnerships.

2) Planning Advisory Services and Technical Support:

Planners provide ongoing professional planning services to local development organizations and municipal governments. These services include the ability to:

- 1) Interpret provincial legislation, policies and regulations, local development plan policies and zoning by-laws,
- 2) Provide professional planning advice and recommendations on development proposals,
- 3) Conduct effective presentations at community meetings,
- 4) Assess client needs, conduct research studies, coordinate input and prepare planning documents using their knowledge of planning theory, practice and legislation and

5) Assist clients with the preparation of the terms of reference for consulting services, requests for proposals and consultant selection.

3) Identify Funding Opportunities: A planner's toolbox can also involve the ability to assist community organizations to identify both private and public sector resources or programs to be used to undertake a variety of projects or initiatives to further the organization's goals and objectives.

4) Foster Cooperation, Communication & Dialogue: Planners can assist municipalities with seeing the benefits of cooperating and working together on projects that will have mutual benefit for each community in the partnership. Planners can facilitate dialogue through the planning process that is needed to foster inter-municipal partnerships.

5) Liase between other Organizations and Government bodies:

Planners are in a unique situation to play a liaison role between different private and public sector organizations, as well as with the various levels of government. This function can provide significant support for locally developed initiatives.

LESSONS LEARNED –by Lloyd Talbot

Planners involved in forging inter-municipal partnerships have learned valuable lessons needed to make partnerships successful. Four key “lessons learned” include:

Taking a Co-operative Regional Approach

- This approach allows municipalities to pool resources and share servicing costs (i.e. costs like emergency services, libraries etc.)
- It enhances regional competitiveness. Several municipalities work together on common goals and objectives.
- It increases opportunities for social and economic development. This approach also increases the “political voice” of member municipalities who work together inter-municipally.
- It may lead to an increase in inter-municipal conflicts due to resource and benefit distribution.

Community Stakeholder Participation

Inter-municipal partnerships need the support of local residents who are directly affected by such partnerships.

- Successful inter-municipal partnerships require strong community leaders (such as municipal or business leaders)
- Community residents should be involved directly in CDC activities (i.e. as volunteer board members, or CDC activity and event organizers).

Conflict Resolution & Mediation Skills

- Conflict resolution and mediation skills are essential for effective community leadership.
- Planners provide communities with conflict resolution and mediation skills. These skills help communities engage in more constructive dialogue and the resolution of contentious issues.
- Mediation may involve independent third party assistance. Lawyers and professional mediators provide a “neutral third voice” when drafting legal agreements and conducting inter-municipal meetings.

Importance of Strategic Planning

- Strategic plans identify a common vision
- Strategic plans identify opportunities, strengths and resources of the CDC area
- Strategic plans result in the development of an “action plan” (an implementation strategy).
- Community needs must be continuously monitored through planning.
- CDCs and planners must constantly plan for changing community needs through new and innovative programs.

Conclusion:

Inter-municipal partnerships are a means to share resources, services and the benefits of economic development. As such, inter-municipal partnership can also reduce local competition and increases a regionalist approach to development.

Planners play a key role in supporting inter-municipal partnerships developed within CDCs. Planners facilitate, mediate and provide technical resources to their communities. Planners can also foster the dialogue needed to make inter-municipal partnerships successful.

Inter-municipal partnerships provide a planning alternative to communities facing today’s economic and social challenges. Today’s planners must face these challenges by promoting, fostering and helping to develop strong, inter-municipal partnerships.

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