THE REGIONAL MUNICIPALITY OF NIAGARA
COMMITTEE OF THE WHOLE
FINAL AGENDA

COTW 3-2021

Thursday, August 5, 2021

6:30 p.m.

Meeting will be held by electronic participation only

This electronic meeting can be viewed on Niagara Region's Website at:

https://www.niagararegion.ca/government/council/

Due to the efforts to contain the spread of COVID-19 the Council Chamber will not be open to the public to attend meetings until further notice. To view live stream meeting proceedings, please visit: niagararegion.ca/government/council

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Pages

1. **CALL TO ORDER**

2. **DISCLOSURES OF PECUNIARY INTEREST**

3. **PRESENTATIONS**

4. **DELEGATIONS**

4.1. Niagara Region Incentives Policy (Report PDS 31-2021 (Agenda Item 5.1))

4.1.1. David Jovanovic, Lundy's Lane BIA — 3 - 11
The delegation submission is attached to this agenda item as COTW-C 1-2021.

4.1.2. Eddy Pybus, Vice Chair of the Board & Chair, Economic Development, Niagara Falls Downtown Business Improvement Area — *12 - 13*
The delegation submission is attached to this agenda item as COTW-C 2-2021.

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

From: PF-Mailbox-01
To: Norio, Ann-Marie; Trennum, Matthew
Subject: FW: Online Form - Request to Speak at a Standing Committee or Regional Council
Date: Thursday, July 29, 2021 2:51:36 PM

From: Niagara Region Website
Sent: Thursday, 29 July 2021 14:51:33 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee or Regional Council

Request to Speak at a Standing Committee or Regional Council

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

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David Jovanovic

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Organization
Lundy's Lane BIA

standing committee
Committee of the Whole

Presentation Topic
Niagara Region Incentive Review

Presentation includes slides
No

Previously presented topic
No

Presentation Details
Reconsideration of elimination of Region's funding of several current CIP & Development Charges incentives. Files will be uploaded by August 3

Video Consent
Yes

Lundy's Lane

August 3, 2021

Chair Jim Bradley & Members of Regional Council
1815 Sir Isaac Brock Way
PO Box 1042, Thorold, ON L2V 4T7
289-687-0799

Re: Niagara Region Incentive Review

Dear Chair Jim Bradley & Members of Regional Council,

It has come to our attention that the Niagara Region has undertaken a review of incentive programs, including various Community Improvement Plan (CIP) programs available to businesses within our Business Improvement Area (BIA).

The Lundy's Lane BIA is comprised of 250+ businesses and oversees the improvement, beautification, maintenance, marketing, promotion, and communication within our BIA boundary. Additionally, by working with local stakeholders, the LLBIA promotes the area as an attractive place for individuals to visit; and entrepreneurs to locate their businesses. Over the past six years, the Lundy's Lane BIA has rolled out several progressive initiatives including a comprehensive Streetscape Master Plan, Urban Design Guidelines, and the Lundy's Lane CIP which included a vital TIFF Incentive to spur new investment on the Lane. The LLBIA is also finalizing our exciting new rebranding campaign that will be rolled out in mid-September this year and will be integrated into the major public realm projects that will be occurring along the Lane in the 1-4 years. These projects will include the design of the much-needed Lundy's Lane OPG History Park at the hydro canal and Lundy's Lane (currently under review at the Region), the refurbishment of the OPG Canal Bridge and new trail heads which is slated for construction in 2022. In 2023 we are slated for the utility and complete road makeover of Lundy's Lane by the Region from Highland Ave to Montrose Rd, with the balance tentatively scheduled for 2024/25. When completed, the public realm on Lundy's Lane will be exciting, first class and this will all be through the joint efforts of the Lundy's Lane BIA, City of Niagara Falls and the Region of Niagara.

It is with great concern however, that we have learned about the potential elimination of the Region's participation in the CIP and DC incentive programs within our BIA. Programs such as the Smarter Niagara Incentive Program (SNIP), including façade and building

improvement and TIG programs; and the Smart Growth Regional DC Program are essential to the creation of a vibrant economic environment within the area. Having programs such as these creates an opportunity to stimulate additional private sector investment and redevelopment, ensuring Lundy's Lane, and Niagara in general, remains an attractive and competitive place to invest.
Council will remember that the Lundy's Lane CIP was brought to the Regional Council for final approval just as a moratorium was placed on regional participation in CIPs, even though the Region joint financed the LLCIP viability study and supported the direction that our CIPs were going in. Since that time, the LLBIA has been proactive on enhancing our TIFF/TIG incentive package by adding a much-needed residential component to the LLBIA TIG. This amendment was made official by the Council of Niagara Falls on July 19, 2018. The driving force of our TIG program is not only commercial investment, but also to achieve our goal of significant residential intensification along the Lundy's Lane corridor. Much like other progressive communities, our Urban Design Guidelines are designed around adding retail and commercial at grade, to stimulate better pedestrian engagement at street level, with supporting residential development on top, and/or behind the retail component. All of this is designed to create a new sense of neighbourhood for Lundy's Lane. With deep properties, Lundy's Lane is the perfect location to achieve our goals, and the Region's goals, as Lundy's Lane is designated as an intensification corridor by the Province. The Lundy's Lane BIA has checked all the boxes of the Region's planning goals of creation of affordable housing, employment, and an engaging public realm.

The Lundy's Lane BIA strongly encourages the Niagara Region to reconsider the elimination of these vital CIP incentive programs as they are the key driver to stimulate private sector investment that is so vitally needed to make a destination vibrant and successful. Small business is the economic engine of Niagara, and with the hardships that this sector has had to endure during Covid, this is the time that the Region should be increasing CIP participation, not backing out of it.

The Lundy's Lane BIA thanks regional staff and council on all your assistance in supporting Lundy's Lane to become a shinning beacon for Niagara, and a great place to live, work and do business. Collectively, we can make this work.

Sincerely,

David Jovanovic, Project Administrator
Lundy's Lane BIA
(905) 401-8247

Tish DiBellonia, Chair
Lundy's Lane BIA
(905)-371-8579

August 3, 2021

Chair Jim Bradley & Members of Regional Council
1815 Sir Isaac Brock Way
PO Box 1042, Thorold, ON L2V 4T7
289-687-0799

Re: Niagara Region Incentive Review

Dear Chair Jim Bradley & Members of Regional Council,

On behalf of the BIAs of the Niagara Region, we would like to commend Regional Staff and Council on your strong leadership during the pandemic. Small Business has been hit very hard and the guidance of Niagara Health, the Region, and our respective municipalities, has been critical in assisting our businesses and residents navigate these troubling and ever-changing times. Small Business is the heart and soul of our communities and is the key economic driver and employer of the Region and must be preserved.

Collectively, the 15+ BIAs of the Niagara Region represent several thousand businesses that oversee the improvement, beautification, maintenance, marketing, promotion, and communication within their respective BIA boundaries. Additionally, by working with local stakeholders, the BIAs promote their area as an attractive place for individuals to visit, live, work; and entrepreneurs to locate their businesses.

It is with great concern that we have learned about the potential elimination of the Region's participation in several of the CIP incentive programs within our respective BIA's. Programs such as the Smarter Niagara Incentive Program (SNIP), including façade and building improvement and TIG programs; and the Smart Growth Regional Development Charges DC) Program are **essential** to the creation of a vibrant economic environment within the area. Having programs such as these creates an opportunity to stimulate additional private sector investment and redevelopment, helping fulfil our mandate as a BIA, and ensure that Niagara remains an attractive and competitive place to invest.

While the BIAs applaud, champion, and fully support the need for new, creative 'Affordable Housing' and 'Public Realm' strategies and incentivization, **we can not lose sight of the fabric of our communities… our downtowns and business districts.**

We strongly encourage the Niagara Region (Council) to reconsider the elimination of our vital CIP and DC incentive programs as they are the key driver to stimulate the private sector investment that is so vitally needed to make a destination vibrant and successful. Small business is the economic engine of Niagara, and with the economic hardships that this sector has had to endure during the pandemic, this is the time that the Region should be increasing CIP participation and programming; not backing out of it. An example of this is the City of Toronto, through TABIA (Toronto Association of BIA's), has secured/pledged an additional $12-18 million of CIP funding to further assist small businesses to weather the economic challenges of Covid-19 and keep their business districts alive and vibrant.

Upper-level government has a major role to play in sustaining and making small businesses more competitive. The Digital Main Street Initiative, that our BIA's have championed, operated through the Ontario BIA Association, has received a collective $41 million in funding from the Provincial and Federal governments to assist small businesses to be more competitive in the digital realm of social media, websites, and online marketing. The benefits to small business when all levels of government are on board, with a common goal, is enormous. **Without your support, we will not achieve our potential.**

The BIAs of the Niagara Region look forward to working with Regional Staff and Council to maintain our current CIP's and develop incentivization programs that will promote affordable housing, residential intensification, beautification, and public realm enhancements. **Collectively, we can make Niagara a better place to live, work, do business, and attract new investment.**

Sincerely,

David Jovanovic, Project Administrator
Lundy's Lane BIA
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Rachel Braithwaite, Executive Director
Downtown St Catharine's BIA
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Stephanie Hicks, Executive Director
Downtown Bench Beamsville BIA
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Alexis Higgenbotham, Executive Director
Welland Downtown BIA
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Mary Lou Ambrose Little
Downtown Port Colborne & Stevensville BIA's
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Amanda Nicol-MacDonald, Executive Director
Downtown Niagara Falls BIA 289-251-9574.
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Rick Tisi, Chair
Main & Ferry – Historic Drummondville BIA
(905) 931-7046

Marsh Cappola,
Thorold BIA
(905) 680-7334

City of Niagara Falls		
	Downtown CIP	**Downtown BIA**
	- Residential Loan Program - Commercial Building and Façade Improvement Grant - Revitalization Grant Program (Tax Increment Grant) - Development Charges Exemption Program	
	Historic Drummondville CIP	**Historic Drummondville BIA**
	- Residential Loan Program - Commercial Building and Façade Improvement Grant - Revitalization Grant Program (Tax Increment Grant) - Development Charges Exemption Program	
	Lundy's Lane CIP	**Lundy's Lane BIA**
	- Commercial Façade, Landscaping, and Property Improvement Grant - Adaptive Reuse and Motel Revitalization Grant Program - Tax Increment Based Grant	
City of St. Catharines		
	Community Improvement Plan (CIP2020) *Priority Areas Include: Downton, Queenston, Hartzel Road / Merriton, Western Hill, Oakdale-Moffat, Ontario-Carlton; plus additional intensification areas*	**St. Catharines Downtown Association (priority area)**
	- Tax Increment Finance Program (TIF) - Brownfield Tax Increment Finance Program (BTIF) - Brownfield Tax Assistance Program (BTA) - Façade Improvement Program (FIP)	
Town of Fort Erie		
	Southend-Riverwalk CIP	-
	Stevensville CIP	-
	Ridgeway CIP	**Ridgeway BIA**
	Bridgeburg CIP	**Bridgeburg Station BIA**
City of Welland		
	Downtown and Health and Wellness Cluster CIP	**Welland Downtown BIA**
	- Urban Design Study Grant Program - Façade Improvement Grant - Building Improvement Grant - Residential Grant - Tax Increment Grant	
City of Thorold		
	Downtown Thorold CIP	**Thorold BIA**
City of Port Colborne		
	Downtown Central Business District CIP - Urban Design Study Grant Program - Façade Improvement Grant - Residential Grant/Loan Program - Revitalization (Tax Increment) Grant - Planning and Building Fees Grant	**Downtown BIA**
	Olde Humberstone CIP	**Main Street BIA**

Town of Lincoln		
	Beamsville Central Business District and The Ontario Street Commercial Area CIP	**Downtown Bench Beamsville BIA**
	Vineland Central Business District CIP	-
Town of Pelham		
	Downtown Fenwick CIP Downtown Fonthill CIP - Commercial Building Facade Improvement - Residential Intensification Grant - Revitalization Grant - Planning Fees Grant - Public Art Grant - Development Charge Exemption Program	
Town of Grimsby		
	Downtown Grimsby Façade Improvement Grant	**Grimsby Downtown Improvement Area**

From: PF-Mailbox-01
To: Norio, Ann-Marie; Trennum, Matthew
Subject: FW: Online Form - Request to Speak at a Standing Committee or Regional Council
Date: Tuesday, August 03, 2021 1:06:24 PM

From: Niagara Region Website
Sent: Tuesday, 03 August 2021 13:06:19 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee or Regional Council

Request to Speak at a Standing Committee or Regional Council

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

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standing committee
Regional Council

Presentation Topic
CIP Funding Recommendation

Presentation includes slides
No

Previously presented topic
No

Presentation Details
I would like to make some statements about the staff recommendation to cancel the Regional CIP funding

Video Consent
Yes

From: PF-Mailbox-01
To: Norio, Ann-Marie; Trennum, Matthew
Subject: FW: Online Form - Request to Speak at a Standing Committee or Regional Council
Date: Tuesday, August 03, 2021 3:04:25 PM

From: Niagara Region Website
Sent: Tuesday, 03 August 2021 15:04:16 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee or Regional Council

Request to Speak at a Standing Committee or Regional Council

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Organization
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standing committee
Regional Council

Presentation Topic
Regional Inventive Review

Presentation includes slides
No

Previously presented topic
No

Presentation Details
Supporting the maintaining of All Regional Incentives

Video Consent
Yes

Niagara Region Incentive Review and Recommendations

Committee of the Whole

August 5, 2021

Niagara Region
Incentive Review and Recommendations

Regional Council Committee of the Whole

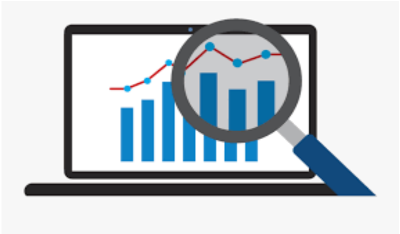
August 5, 2021

Incentive Review Catalysts and Goals

Increased Programs

Increased Cost

New Business Models



Incentive Review Goals

- Align with Regional priorities and responsibilities
- Address current and future needs
- Provide meaningful and measurable results
- Be sustainable, clear and accountable

Regional Incentive Review

2018
- Review Endorsed
- Incentive Program Audits

2019
- Council establishes four incentive Priority Areas
- Engagement with Local Municipal staff

2020
- Meeting and survey for Local Municipal staff
- Regional staff work on program alignment

2021
- Resident and Stakeholder survey and webinar
- Local Municipal staff engagement
- ➢ **Info Session and Recommendation report to Regional Council**
- ➢ **Stakeholder Info sessions on aligned programs**

2022
- ➢ **Implementation of aligned incentive programs**
- ➢ **Finalize Regional DC By-law**

Basis of Review and Recommendations

Council Direction

- Council Strategic Priorities
- Council direction on incentive reports

Research and Data

- Audits of Regional incentive programs – process and value-for-money
- Incentive program data and KPIs
- Review of comparator programs and best practices

Engagement

- Information: Meetings, presentations, webinar
- Feedback: Surveys of public, stakeholders, and local municipalities

Council Direction: Four Priority Areas

Affordable Housing

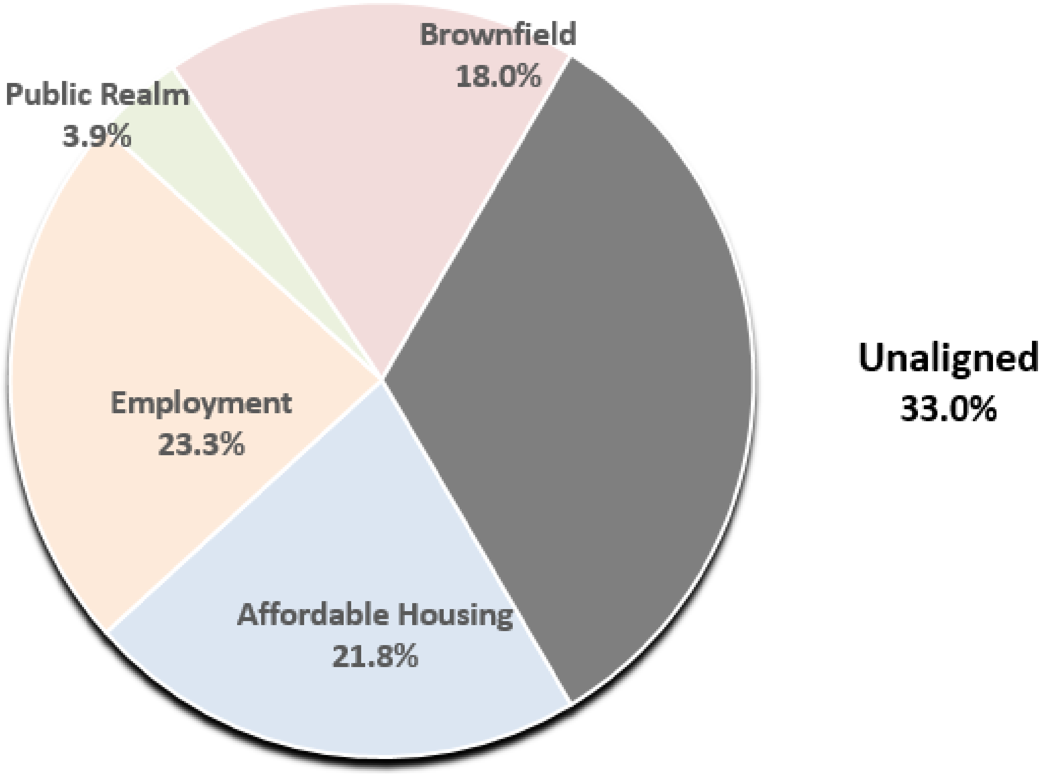
Employment

Brownfield Remediation

Public Realm

Current Funding

2021 Incentive Budget ($14M)



- Funding not fully aligned with Priority Areas or targeted distribution
- Budget pressures from existing programs/transitions and unlimited access to some incentive programs
- Future investment will be guided by:
  - Program performance over time
  - Key variables such as pandemic recovery, housing market, employment patterns
  - Provincial and federal funding

Incentive Funding Options

Repurpose Existing Grant Dollars	Federal/Provincial Governments	Increase Taxes
PROs		
• no incremental tax impact	• minimizes incremental tax impact (often comes with cost sharing)	• funding available immediately
• aligns discretionary budget dollars with Council Strategic Priorities	• offsets Provincial costs downloaded to Region (e.g., hospitals)	• can retain other program/grant spending
• aligns our spending more with other municipalities' incentives		• can design sustainable programs targeted to priority areas
• can create partnerships/leverage private sector investment		• can create partnerships/leverage private sector investment
CONs		
• local priorities may continue to be uploaded to Region	• reactive, unpredictable, and tight time frames	• impact on residents including low income households
• takes time to realize funding due to commitments and by-laws	• agenda may not align with Regional priorities	• tax increases further impact housing affordability

Existing Incentives are not STRATEGIC

They do not address Regional needs and priorities

- 80% of TIGs are for market residential development – ownership singles, townhouses, condos
- Less than half of 1% of TIG funding has been spent on affordable housing
- Almost half of Niagara renter households spend 30%+ of their income on shelter
- Niagara has a higher than average year-over-year increase in market rents and a lower than average turnover rate

Too many programs in too many areas

- Niagara Region has more incentive programs than others, yet fewer thresholds, caps, requirements
- 60% of residents do not support Regional spending on incentives outside areas of Regional responsibility, though the Region currently funds such programs
- 76% of residents do not want Region to fund enhancements to privately owned buildings

They have outgrown their original intent

- Growth means some incentives are no longer essential to secure development
- Smart Growth criteria are required, not incentivized, by other municipalities

Existing Incentives are not SUSTAINABLE

They are expensive and difficult to budget

- Forecast RDCs grants for 2022 is $17 million, which may result in budget shortfall of $10 million
- Regional costs of TIG incentives will double that of 2019 for the next 5-7 years
- In 2018 Regional DC grants were $13 million, representing 27% of DC collections or almost 4% of the levy budget – and nearly 73% was unaligned with the priority areas
- Niagara provides a higher level of TIGs than those offered by most other municipalities

Their return on investment is not effective

- Individual projects resulted in payback periods in excess of 100 years
- Even if the full new construction assessment from 2018-20 was attributed to Regional incentives, the resulting tax revenues appear insufficient to offset their cost
- Regional DC grants are considered above standard based on annual expenditures compared to budget

Regional Incentives can be SUCCESSFUL

Niagara Region Incentives Policy will …

- ✓ Ensure Regional incentives address Regional priorities
- ✓ Align incentive funding to identified needs and priority areas
- ✓ Relate grant amounts to policy and program goals
- ✓ Provide accountable and sustainable resourcing
- ✓ Enable a range of incentive types
- ✓ Create consistent, clear, coordinated policy and programs
- ✓ Measure results, monitor progress, report regularly

Affordable Housing

Over 26,000 households in core housing need in Niagara

Housing prices increased 26% in 2020, the largest increase on record

Over 23,000 renters and owners spend over 50% of their income on housing

NRH waitlist for housing for singles aged 16-54 is 7-18 years in Niagara

✓Increase affordable and attainable rental supply
✓Decrease NRH affordable housing wait times
✓Maintain existing affordable housing stock

Affordable Housing

Affordable Housing is shelter that costs no more than 30% of before-tax household income

	Income Level	Max/month
Low Income	LESS THAN $19,200	$480
	$19,201 - $29,400	$735
Moderate Income	$29,401 - $39,600	$990
	$39,601 - $52,500	$1,313
Medium Income	$52,501 - $68,100	$1,703
	$68,101 - $83,900	$2,098

It would cost over $6B to eliminate core housing need affecting 13% of Niagara households

Households in core need are diverse, including young adults, families, seniors -- 98% with one income

Affordable Housing

Encourage affordable and attainable purpose-built rental housing

Program	Regional grant minimums/maximums	Key Parameters
Partnership Housing Program Suite of Incentives (e.g., grants, deferrals)	Determined on a case by case basis depending on funding/contributions available	Scoring criteria weighted to projects increasing purpose-built rental and creating affordable units for waitlist tenants at lower cost than Regional construction
Affordable and Supportive Housing Regional Development Charge Deferral	Up to 100% of Regional DCs deferred for eligible units as long as they remain affordable	Some units which move households off wait list may have DCs granted after specified time period
Intensification Grant Regional Development Charge Grant	100% of Regional DCs granted for eligible projects	Includes interior and exterior secondary suites as defined by provincial DC Act
Residential Rental Grant Regional Project Grant	Maximum $40k/unit for up to two units Annual budget	Must remain affordable rental units for a minimum of 10 years
Small Building Rental Grant Regional Project Grant	Maximum grant of $15k/unit for up to five units Annual budget	Must remain affordable rental units for a minimum of 10 years

Key Success Measures: number and type of affordable units created; households removed from waitlist; amount of incentive per unit

Affordable Housing

Encourage affordable new ownership and maintain existing affordable housing stock

Program	Regional grant minimums/maximums	Key Parameters
Non-Profit Grant Regional Development Charge Grant	Up to 100% of Regional DCs Annual budget (current $150k)	Scoring criteria for projects based on alignment with Regional priorities
NRH Home Ownership Downpayment Assistance Forgivable Loan	Up to 5% of down payment Provincial funding	Must meet age, renter household, income and asset requirements
NRH Niagara Renovates Homeownership Forgivable Loan	Up to $22k for eligible projects and up to $5k in accessibility renovations Provincial funding	Must meet certain income and ownership requirements
NRH Niagara Renovates Multi-residential Forgivable Loan	Maximum $10k/unit, maximum per building of $25k-$90k depending on number of units Provincial funding	Must have over two units, units must be at or below average market rent for 15 years
NRH Non-Profit and Co-op Capital Repair Costs Forgivable Loan	Federal/provincial funding Grant maximums dependent on funding	Must have agreements with Housing Services Ranked on criteria including urgency, ability to fund
NRH Housing Provider Capital Loan Program Loan and Grant	Annual program budget Grant maximums dependent on funding	Must have agreements with Housing Services Must be non-profit or co-op Ranked on criteria including urgency, ability to fund

Key Success Measures: number of units purchased or maintained; households removed from waitlist; amount of incentive per unit

Employment

Employment dropped about 15,000 and the labour force dropped by 10,000 in Niagara from 2016-20

Investment in industrial building construction experienced a significant decline of $42.4 million or 40% from 2017-2020

Jobs in the targeted sectors are among the highest in economic impact in the Region

- ✓Attract new businesses to Niagara
- ✓Incentivize an average of 100 new full time jobs in Niagara over the next five years
- ✓Expand the range of employment incentives while maintaining unique status of Gateway CIP

Employment

Attract jobs and businesses to Niagara

Program	Regional grant minimums/maximums	Key Parameters
Gateway CIP Tax Increment Grant Local and Regional Gateway CIP matching grant	Maximum 100% TIG for 10 years in Strategic Locations for Investment (five years outside SLIs)	With Local Municipalities, align Smart Growth criteria with industrial development Review of Strategic Locations for Investment
Gateway CIP Regional DC Grant Local and Regional Gateway CIP matching grant	Maximum $1.5M per project	Local DC matching grant required
Niagara Business Attraction Tax Increment Grant Local CIP matching grant	Maximum of 75% of Gateway TIG calculation for five years	Project must be approved by LAM under a CIP
Regional Employment Grant Regional Development Charge Grant	1-10 full time positions created = 50% of RDCs 11-20 full time positions created = 75% of RDCs 21+ full time positions created = 100% of RDCs	Eligible employment sectors are Manufacturing (NAICS 31-33) and Professional, Scientific and Technical Services (NAICS 54, with some exceptions)
50% Industrial Expansion Grant Regional Development Charge Grant	100% of DCs on maximum of 50% of gross floor area prior to first enlargement	See maximum and minimums

Key Success Measures: number of jobs created; amount of grant provided; number of local partners; square feet added

Brownfield Remediation

There are at least five brownfield sites in Niagara estimated to have $15M or more in remediation costs

The majority of Niagara brownfield sites are in the urban area→ remediation supports employment, intensification, housing, reduced GHG emissions

Just five key Niagara brownfield sites represent over 500 acres that could be remediated and redeveloped

- ✓Generate an average increase of 10 times the original assessment value on brownfield properties
- ✓Approve two high impact BTIGs in the next five years
- ✓Provide funding for remediation of at least 200 acres in the next five years

Brownfield

Clean up contaminated sites to prepare for development

Program	Regional grant minimums/maximums	Key Parameters
Brownfield Tax Increment Grant Tier 1: Select Sites (Local CIP)	80% or 100% with affordable housing 10 Years - fixed calculation Annual grant no greater than $10M Minimum $5M in remediation costs	For remediation costs only Eligible sites identified in collaboration with local municipalities Project must be approved by LAM under a CIP
Brownfield Tax Increment Grant Tier 2 (Local CIP)	60% or 80% with affordable housing 10 Years - Fixed calculation Annual grant no greater than $1M Minimum $250k in remediation costs	For remediation costs only Project must be approved by LAM under a CIP
Brownfield RDC Deferral Regional Development Charge Deferral	100% of RDCs may be deferred until occupancy permit issued or five years from signing of agreement, whichever is first	May stack with BTIG

Key Success Measures: number of acres remediated; affordable housing units created; jobs created; assessment increase

Public Realm

Provincial requirements to support walkable communities, active transportation, and promote universal accessibility

Lost opportunity costs without coordination on service delivery for major capital projects

Niagara has an estimated vegetative cover of 27%

- ✓Improve public realm including road, bike paths, sidewalk, trails and accessibility amenities in an average of six projects annually
- ✓Plant at least 500 trees through PRIP in the next five years
- ✓Achieve at least 10 of the following: public plaza enhancements, place-making and public art installations, gateway features

Public Realm

Improve accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas

Program	Regional grant minimums/maximums	Key Parameters
<u>Public Realm Investment Program</u> Regional Matching Grant	\$25,000 minimum to \$150,000 maximum per grant Annual program budget (current \$350K)	Within or directly adjacent to a Regional Road right-of-way and areas of significant Regional investment in urban and core areas

Key Success Measures: Kilometres of roads/trails created or improved; number of trees planted; accessibility components installed; place-making features installed; public art installed

Programs Outside Review Direction

- Niagara Investment in Culture Program
- Waterfront Investment Program
- Heritage Tax Rebate Program
- Smart Growth Regional DC Program
- Brownfield Tax Assistance Program
- Façade and building improvement
- Heritage restoration
- Planning grant

Next Steps

<u>Fall 2021</u>

- Incentive Procedures to CLT for approval
- Stakeholder information sessions
- Consultation, coordination with LAMs on key program components and alignment
- Regional administrative updates
- Incentive funding through 2022 Budget process

<u>2022</u>

- Implementation of Niagara Region Incentives Policy
- Continued work and engagement on Regional DC Bylaw

Niagara Region Incentive Policy:

Strategic
Sustainable
Successful

Subject: Niagara Region Incentives Policy

Report to: Committee of the Whole

Report date: Thursday, August 5, 2021

Recommendations

1. That the Niagara Region Incentives Policy (Appendix 1 of Report PDS 31-2021) **BE APPROVED**; and

2. That Report PDS 31-2021 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The purpose of this report is to present a Niagara Region Incentives Policy which outlines Regional incentive programs aligned into the four Priority Areas identified by Council.

- In 2018, Regional Council endorsed the review of Regional incentive programs with the goals of having incentives align with Regional priorities and responsibilities, address current and future needs, provide meaningful and measurable results, and be sustainable, clear and accountable.

- In 2019, Council further directed staff to align Regional incentives into four priority areas: Affordable Housing, Employment, Brownfield Remediation, and Public Realm.

- The Regional incentive review has included both process and value-for-money audits of incentive programs; public, stakeholder and local municipal partner engagement; and research into comparator programs and best practices. An interdepartmental team of Regional staff has worked to align Regional incentives into the priority areas and provide recommendations for program and administrative improvements.

- The proposed Niagara Region Incentives Policy (Appendix 1) updates, aligns and consolidates the majority of Regional incentives in a single document, providing greater clarity, consistency and flexibility.

- If approved, it is recommended that the newly aligned incentive programs be implemented January 1, 2022, with the exception of incentive programs existing under the current Regional Development Charges Bylaw (98-2017), which will remain in effect until the expiration of that Bylaw on August 31, 2022.

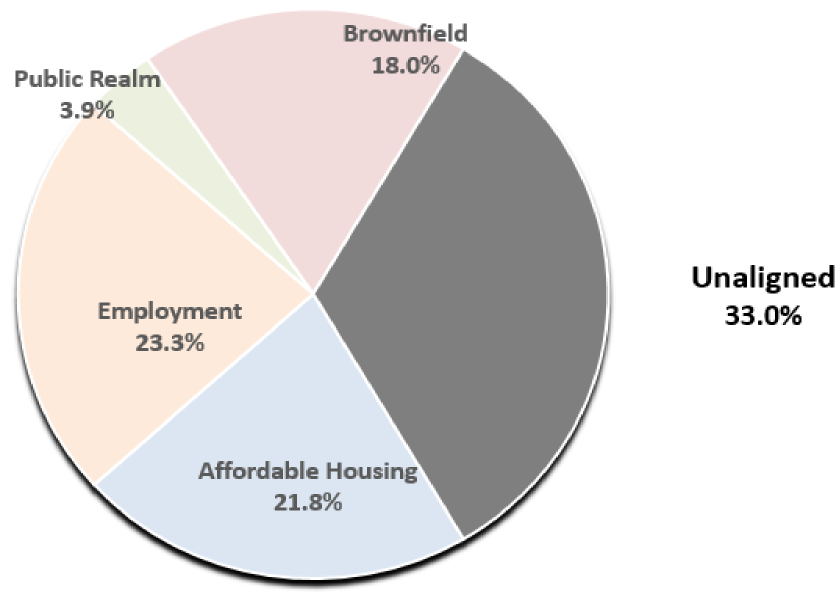
- Additional improvements to incentive delivery include updating and expanding Regional incentive information online; instituting a one-window approach for applicants; improving collection of data and metrics; coordinating incentive reporting; and providing for regular incentive policy and procedure review.

Financial Considerations

Funding for Regional incentives will be addressed through the 2022 budget process. Though funding may be targeted differently, this review is not resulting in a request for an increase in total incentive funding levels in 2022. The 2022 budget will include a request to fund existing tax increment grant commitments through growth in alignment with the budget planning bylaw, and may require consideration of additional budget to address current Regional Development Charge (RDC) Bylaw grants including grants in 2017 brownfield transition agreements. A full leadership review of the staffing requirements to support grants and incentives is pending council endorsement of this report and a detailed review of individual program administration (occurring fall 2021). It is anticipated program support will be achieved through repurposing of existing roles and funding.

Incentives represent the largest discretionary item in the Niagara Region budget. As the KPMG Service Sustainability Review report notes, the other remaining discretionary programs in the Region’s budget relate to community grants such hospital funding and Canada Summer Games, as well as Community Services grants and discretionary spending for social assistance grants and child care services. In 2021, Regional incentive spending was approximately $14 million. The chart below illustrates Regional incentive spending in the 2021 budget.

Chart 1: Regional Incentive Spending by Priority Area in the 2021 Budget



Approximately 33% of current Regional incentive funding is not aligned in one of the four Priority Areas identified by Council. Furthermore, approximately one-third of the Region’s incentive spending currently funds legacy commitments, such as tax increment grants and RDC grants. Spending for legacy commitments under existing programs is slated to increase in the next few years as grants which have Regional funding committed, particularly tax increment grants or grants provided under the RDC Bylaw expiring September 2022, are frequently not paid out until project completion several years after approval. The current suite of incentive programs are forecasted to create financial pressures in the coming years.

- Costs for Regional tax increment grant commitments will double 2019 levels over the next 5-7 years.
- There is an estimated $17 million shortfall in the 2022 RDC grant budget as a result of legacy commitments through expiring programs and RDC transition agreements under the 2017 RDC by-law (see Appendix 3).

The recommendations of the incentive review would align Regional incentive spending into the four Priority Areas, ensuring investments drive the policy outcomes Council is trying to achieve. No increase in incentive spending is requested as a direct result of incentive program changes recommended in the attached policy; however, ongoing budget pressures relating to the current tax increment grant and RDC Bylaw commitments noted above will be addressed in the 2022 budget. It is important to note that there may be increasing budget pressures in future to sustain funding as some incentive programs have no caps, and fluctuate significantly in uptake year to year. Funding for incentive programs from provincial and federal governments may also vary considerably from year to year, which will continue to effect program budgets. It is requested that budget made available as legacy commitments expire be considered for reinvestment in the Priority Area programs and to support the costs of any program administration enhancements.

Future investment will be guided by program performance over time; key variables such as pandemic recovery, the housing market, and employment patterns; and provincial and federal funding opportunities.

Any additional funding for incentives would come through:

- Repurposing existing grant dollars, which has no incremental tax impact, enables alignment with Regional priorities but takes time to realize;
- Provincial or federal funding, which may minimize tax impact but is often unpredictable, reactive, unaligned with Regional priorities and time sensitive; and/or
- Increasing taxes, which makes funding available immediately and supports sustainable, targeted programs but has an impact on low income households and housing affordability.

Analysis

Catalysts, Goals and Direction of the Incentive Review

Times have changed, and Niagara has changed, significantly since the first Regional incentive programs began in 2002. The economic, social and growth climates are very different now, with the pandemic adding yet another layer of change. Incentive programs during this period have proliferated in number, variety and cost: Niagara Region now partners on over 150 different incentives programs. Regional incentives are the largest discretionary item in the Regional budget, amounting to $14 million (3.5% of the tax levy) in 2021. Administrative and technological advances also mean there are new ways to facilitate more efficient service and track program performance to better measure incentives' success.

In 2018 Regional Council endorsed a review of most incentive program delivered by Planning and Development Services, Corporate Services, and Economic Development. The goals of this review were to review current programs, and create Regional incentives that align with Regional priorities and responsibilities, address current and future needs, provide meaningful and measurable results, and ensure incentives are sustainable, clear and accountable. Further direction was provided by Council in 2019 when staff were directed to align Regional incentives into four Priority Areas: Affordable Housing, Employment in Key Sectors, Brownfield Remediation and Public Realm. Following this direction the review was expanded to include Regional incentives for affordable housing and related development charge incentives.

Key Review Components

(1) Audits and Research

In 2018 two audits of Regional incentives were undertaken: a process audit (Phase 1), which considered the efficiency and effectiveness of current incentive procedures, and a value-for-money audit (Phase 2), which evaluated performance, reviewed the working relationships between the Region and Local Municipalities, and benchmarked Regional incentive administration against similar municipalities. These audits produced interesting findings and identified the following opportunities for improvement:

Phase 1

- The Region has not developed an overall master agreement nor operating procedures/policies for the various grant and incentive programs
- Regional interests and priorities have not been sufficiently identified or communicated to support the evaluation and approval processes
- [There is] Inconsistent and insufficient post-award monitoring to validate application accuracy and measure overall program success

Phase 2

- The Region needs to consider program rationalization
- [There is a] Lack of master agreement or standard operating procedures

- [There are] Insufficient performance measures to report on program success and compliance
- The Region can provide greater value-added support to improve administrative efficiency and program success

The research and analysis included in the two audit reports has been supplemented by staff research and data analysis of incentive programs, and studies conducted by KPMG providing information on incentives in other municipalities and the performance and sustainability of Regional incentives. These data, coupled with input obtained through engagement, have shaped recommendations and Regional Incentive Policy.

(2) Engagement

Internal and external engagement has been conducted throughout the incentive review. Internally, Regional staff working with incentive programs were interviewed and program documents, data, processes and procedures were reviewed. There has also been communication and coordination with other Regional initiatives related to the identified Priority Areas, e.g., the Affordable Housing Steering Committee, the Regional Development Charge Task Force. In addition, several reports and presentations on incentives have come before Regional committees and Council since 2018, including most recently a Regional Council Information Session on incentives held July 22, 2021.

External engagement has included outreach to the public and program stakeholders, with a particular focus on Local Municipalities as the Region's largest incentive partners. These engagement milestones include:

2018: Interviews with each local municipality regarding incentive programs for the audits, and a written comment period following the second audit report

2019: Meeting with local municipal staff

2020: Meeting with local municipal staff and survey – programs and priority areas

2021: Public Webinar; Public (453 responses) and Stakeholder (73 responses) surveys; Meeting with local municipal staff; local municipal staff survey – proposed programs

Recommendations

Recommendations proposed through the Regional incentive review meet the goals of the incentive review, address the findings of the audits, and enhance incentive programs by:

- ✓ Communicating Regional priorities and aligning programs and policy with them
- ✓ Consolidating incentives into a single Niagara Region Incentives Policy to provide greater clarity around programs; flexibility to update policy and programs; consistency with other Regional policies and procedures; continuous improvement by ensuring regular program and policy review;
- ✓ Updating performance measures and maintaining databases and Council reporting tools to better measure and report program success;
- ✓ Improving customer service by instituting a one-window delivery system; and,
- ✓ Modernizing program information and processes by moving more incentive information and interaction online.

Information on the specific incentive programs recommended for each Priority Area is included in Appendix 2. Recommended programs meet Council's direction through:

(1) Improving existing programs in the Priority Areas, e.g. the Affordable and Supportive Housing RDC Deferral (Affordable Housing), the Gateway Economic Zone and Centre Community Improvement Plan incentives (Employment), the Brownfield Tax Increment Grant program (Brownfield Remediation), and the Public Realm Improvement Program (Public Realm);
(2) Targeting or repurposing existing programs to align with Council Priority Areas, e.g., the Non-profit RDC Grant, Residential Rental Grant and Small Building Rental Grant;
(3) Updating programs to ensure their sustainability, e.g., the Employment RDC Grant and the Brownfield RDC Deferral; and,
(4) Creating a program to ensure access by all Local Municipalities to Priority Area incentives, i.e. the Niagara Business Attraction Tax Increment Grant.

Implementation

If the Niagara Region Incentive Policy is approved, work will begin to implement aligned programs as of January 1, 2022. Exceptions to this implementation date are any RDC incentive programs currently included in the Regional Development Charge Bylaw (Bylaw 2017-98), which will expire on August 31, 2022. From January 1 – August 31, 2022, applicants will be able to apply under either the new Niagara Region Incentive Policy program or the existing RDC Bylaw program incentive program.

To support incentive partners and stakeholders, Regional staff will hold information sessions on the newly aligned Regional incentives (e.g., how they may coordinate with local programs, new processes and procedures) and consult with local municipalities on key program components to be updated for some incentive programs (e.g., employment incentives). Engagement for other initiatives such as the Regional Development Charge Bylaw will also continue in 2021-22 through the RDC Task Force.

Alternatives Reviewed

As this report provides recommendations requested by Council through the Regional incentive review no alternatives have been provided.

Relationship to Council Strategic Priorities

The recommendations in this report support the following 10 objectives in all four Council strategic priorities:

Priority 1: Supporting Businesses and Economic Growth
- Objective 1.1: Economic Growth and Development
- Objective 1.2: Support retention and development of skilled labour force
- Objective 1.3: Collaborative Approach to Business Growth and Retention
- Objective 1.4: Strategically Target Industry Sectors

Priority 2: Healthy and Vibrant Community
- Objective 2.1: Enhance Community Wellbeing
- Objective 2.3: Addressing Affordable Housing Needs

Priority 3: Responsible Growth and Infrastructure Planning
- Objective 3.2: Environmental sustainability and stewardship (14)

Priority 4: Sustainable and Engaging Government
- Objective 4.1: High quality, efficient and coordinated core services
- Objective 4.2: Enhanced Communication
- Objective 4.3: Fiscally Sustainable

Other Pertinent Reports

- PDS 42-2017 Overview of 2018 Incentive Review
- PDS-C 19-2018 ICOP Phase 1 Audit Report on Regional Incentive Review
- PDS-C 31-2018 ICOP Phase 2 Audit Report on Regional Incentive Review
- PDS-C 38-2018 Local Municipal Responses to Incentive Review Audit Report
- PDS 22-2019 Regional Incentives Financial Information
- PDS 34-2019 Grants and Incentives Review
- CSD 55-2020 Sustainability Review Final Report

Prepared by:
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Program Manager, Grants and Incentives
Planning and Development Services

Recommended by:
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Commissioner
Planning and Development Services

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Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with the Regional Incentive Review team (Community Services: Donna Woiceshyn, Director, Niagara Housing Services, CEO of Niagara Regional Housing; Corporate Services: Todd Harrison, CPA, CMA, Commissioner of Corporate Services,/Treasurer; Helen Chamberlain, CPA, CA, Director, Financial Management and Planning/Deputy Treasurer; Robert Fleming, Senior Tax and Revenue Analyst; Lyndsey Ferrell, Program Financial Specialist; Economic Development: Valerie Kuhns, Associate Director; Ken Scholtens, Manager, Business Development and Expedited Services; Planning and Development Services: Doug Giles, BUS, MEP, Director, Community and Long-Term Planning; Marian Bannerman, Program Manager, Grants and Incentives), with input from Economic Development: George Spezza, Director; Planning and Development Services: Khaldoon Ahmad, Manager, Urban Design; Pat Busnello, Manager, Development Planning; Alex Tikky, Senior Planner.

Appendices

Appendix 1	Niagara Region Incentives Policy
Appendix 2	Realigned Niagara Region Incentive Programs
Appendix 3	RDCPT-C 7-2021 Development Charges Grant Expenditures under 2017 Regional Development Charges By-law

Niagara Region

Corporate Policy **C-A-XXX**

Policy Category	*Name of Policy*
Administrative	*Niagara Region Incentives Policy*

Policy Owner	Planning and Development Services, Community and Long Range Planning, Director of Community and Long Range Planning
Approval Body	Regional Council
Approval Date	August 26. 2021
Effective Date	Janaury 1, 2022
Review by Date	Within five years of effective date

1. Policy

This policy identifies Regional incentive programs aligning per Council direction with the Council Priority Areas of Affordable Housing, Employment, Brownfield Remediation and Public Realm, and outlines general objectives and parameters for these programs.

1.1. This policy pertains to the programs listed in Appendix A: Regional Incentive Programs.

1.2. Incentives are provided in these priority areas with the following goals:

1.2.1. To increase the amount of affordable housing in Niagara, particularly the supply of purpose-built rental housing, and to maintain existing affordable rental housing stock;

1.2.2. To attract and retain new businesses and full-time jobs to Niagara;

1.2.3. To encourage the remediation of contaminated sites for better environmental, economic, health and safety and urban planning outcomes; and

1.2.4. To improve the accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas, and coordinate investment and workplans for major capital projects in the public realm.

1.3. Eligibility, application, approval, documentation, reporting, tracking, monitoring and payment requirements and practices for these Regional incentive programs will be outlined in the Procedures related to this policy.

1.4. Incentives will be provided subject to budgetary availability.

1.5. For Regional incentive programs requiring applications, only complete, correct and conforming applications will be considered.

1.6. Payment of grant incentives is contingent on compliance with all program requirements.

Policy Category	Name of Policy
Administrative	*Niagara Region Incentives Policy*

1.7. Key incentive program data and performance indicators will be collected, reviewed and reported on to demonstrate program effectiveness and accountability.

1.8. Clear, consistent information on Regional incentive programs will be provided to program partners and stakeholders.

2. Purpose

The purpose of this policy is to align Regional incentive programs with the four priority areas of Affordable Housing, Employment, Brownfield Remediation, and Public Realm identified by Regional Council, and to consolidate them under one policy.

3. Scope

Where incentives in this policy relate to mandatory Development Charge incentives, the incentives will continue until changed in the Development Charge Act. Where incentives in this policy relate to discretionary Regional Development Charge incentives, the incentives of Development Charge Bylaw 2017-98 will continue until the expiry of the bylaw on August 31, 2022.

No duplication of the following incentives is permitted:

- Affordable and Supportive Housing Regional Development Charge Deferral in this policy and the discretionary Affordable Housing Regional Development Charge Deferral, Section 11(f) of Bylaw 2017-98
- Employment Regional Development Charge Grant in this policy and the discretionary Industrial Regional Development Charge Grant, Section 17(c) of Bylaw 2017-98
- Brownfield Regional Development Charge Deferral in this policy and the discretionary Brownfield Regional Development Charge Grant, Section 14 of Bylaw 2017-98
- Intensification Regional Development Charge Grant in this policy and Intensification Regional Development Charge Grant, Section 16 of Bylaw 2017-98
- 50% Industrial Expansion Regional Development Charge Grant in this policy and 50% Industrial Expansion Regional Development Charge Grant, Section 17 (a) and (b) of Bylaw 2017-98

3.1. Roles and Responsibilities

3.1.1 Regional Council

Approves, by resolution, the Regional Incentives Policy and any updates as necessary every five years.

Approves budget allocation to fund Regional incentive programs.

Approves in-year and year-end funding requirements of budget variances related to Regional incentive programs.

3.1.2 Corporate Leadership Team

Approves the Procedures related to this policy and any updates as necessary.

Provides budget recommendations to Council with respect to funding Regional incentive programs.

3.1.3 Commissioner, Planning and Development Services or Designate

Reviews and updates the Regional Incentives Policy as necessary every five years and submits any necessary changes for Council approval.

Creates necessary guiding strategies, supporting frameworks and procedures as required to administer this policy which may be amended from time to time.

Monitors compliance and adherence to this policy.

Develops and maintains appropriate tracking of Regional incentive programs covered under this policy and in related policies, programs or legislation, and reports on them annually to Regional Council.

Carries out the above tasks in coordination with Regional Commissioners, Directors, other Regional staff involved in administering these Regional incentive programs.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.4 Commissioner, Corporate Services or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Oversees Regional Development Charge Bylaw updates and recommends revisions as required to Regional Incentives Policy and relevant programs should the Development Charges Act be revised.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.5 Director, Economic Development or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Policy Category	Name of Policy
Administrative	*Niagara Region Incentives Policy*

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.6 Commissioner, Community Services or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.7 Director, Housing Services/CEO, Niagara Regional Housing or Designate

Coordinates with Commissioner of Planning and Development Services or designate in administration, tracking and reporting of incentive policies and programs outlined in this policy and in related policies, programs or legislation.

Provides recommendations to the Corporate Leadership Team with respect to incentive program funding.

3.1.8 Director, Legal and Court Services or Designate

Ensures that all Regional incentive program agreements satisfy all legal requirements as outlined in appropriate legislation and appropriately mitigate legal exposure for Niagara Region.

4. References and Related Documents.

4.1. Legislation, By-Laws and/or Directives

- Planning Act, R.S.O. 1990, c. P.13
- Municipal Act, 2001, S.O. 2001, c. 25
- Development Charges Act, 1997, S.O. 1997
- Canada-Ontario Community Housing Initiative
- Ontario Priorities Housing Initiative
- ICP 97-2011
- ICP 33-2013
- ICP 118-2013
- PDS-C 3-2017
- By-law 2017-89
- By-law 2017-98
- CSD 34-2019
- COM-C 32-2020

Policy Category	*Name of Policy*
Administrative	*Niagara Region Incentives Policy*

4.2. Procedures

Procedures for programs outlined in this policy organized by each of the four Priority Areas will be forthcoming.

5. Related Policies

- Regional Development Charges Deferral Payment Policy

6. Appendices

- Appendix A: Regional Incentive Programs

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Council		

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

Niagara Region

Corporate Policy C-A-XXX

Policy Category	*Name of Policy*
Administrative	*Niagara Region Incentives Policy*

Appendix A: Regional Incentive Programs

Program	Program Description	Grant Type
AFFORDABLE HOUSING		
Partnership Housing Program	Partnerships with for- and non-profits to generate more purpose-built rental and move clients off the housing waitlist by using a suite of Regional incentives customized by project	Suite of Incentives (e.g., TIGs, DC grants and deferrals) for Affordable Housing Captial Development
Affordable and Supportive Housing RDC Deferral	A deferral of Regional DCs for affordable or supportive housing units in projects having an agreement with a Regional department or agency for as long as the units remain affordable	Regional Development Charge Deferral
Non-Profit RDC-based Grant	A grant for up to 100% of DCs payable for eligible non-profit developments	Regional Development Charge Grant
Intensification RDC Grant	A grant providing DC relief to secondary suites created within or on the property of residential dwellings as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
Residential Rental Grant	A grant for the creation of secondary suites within or on the property of a residence which remain at affordable rental levels for at least 10 years	Regional Project Grant
Small Building Rental Grant	A grant for the construction of up to five units, up to $15k/unit, provided units remain at affordable rental levels for at least 10 years	Regional Project Grant

Policy Category	*Name of Policy*
Administrative	*Niagara Region Incentives Policy*

NRH Welcome Home Niagara Home Ownership Program	A forgivable loan for downpayment assistance of 5% to a maximum of $20,296 (purchase price not to exceed $405,930), as amended from time to time, for renters at specific income levels purchasing a home	Forgivable Loan
NRH Niagara Renovates Homeownership	Forgivable loan over 10 years for repairs and accessibility modifications for low and moderate income households	Forgivable Loan
NRH Niagara Renovates Multi-residential	Forgivable loan over 15 years to fund repairs or provide accessibility for affordable units in multi-unit buildings	Forgivable Loan
NRH Non-Profit and Co-op Capital Repair Costs	Funding for capital repairs to non-profit and co-op housing providers having agreements with NRH	Forgivable Loan
NRH Housing Provider Capital Loan Program	Emergency loan program,with 25% forgivable over time, to support repairs to non-profit and co-op affordable housing providers having agreements with NRH	Loan and Grant
EMPLOYMENT		
Gateway CIP Tax Increment Grant	A matching tax increment grant for projects in the Gateway CIP area with eligible scores on economic and environmental criteria which result in increased assessment value	Tax Increment Grant (Local and Regional Gateway CIP)
Gateway CIP Regional DC Grant	A matching grant of Regional DCs payable for projects with exceptional scores (14+) on Gateway CIP criteria	Regional DC Grant (Local and Regional Gateway CIP)

Niagara Region

Corporate Policy | **C-A-XXX**

Policy Category	*Name of Policy*
Administrative	*Niagara Region Incentives Policy*

Niagara Employment Partnership TIG	A matching tax increment grant for projects approved under local CIPs with eligible scores on economic and environmental criteria resulting in increased assessment value	Tax Increment Grant (Local CIP)
Employment Regional DC-based Grant	A grant equal to a percentage of Regional DCs payable based on creation of full time jobs in manufacturing and professional, scientific and technical services sectors	Regional Development Charge Grant
50% Industrial Expansion RDC Grant	A grant equal to Regional DCs for enlargements to existing industrial buildings for up to 50% of original gross floor area as required in the DC Act and until no longer mandatory in the Act.	Regional Development Charge Grant
BROWNFIELD REMEDIATION		
Brownfield TIG Tier 1: Select Sites	A matching tax increment grant for remediation costs on major brownfield sites whose remediation will result in significant economic, environmental, social, and health benefits; increased benefit for projects with affordable housing	Tax Increment Grant (Local CIP)
Brownfield TIG Tier 2	A matching tax increment grant (for remediation costs of brownfield sites eligible through local CIPs; increased benefit for projects with affordable housing	Tax Increment Grant (Local CIP)
Brownfield Regional DC Deferral	A deferral of Regional DCs for eligible brownfield sites until an occupancy permit is issued or up to five years from signing of agreement	Regional Development Charge Deferral

Policy Category	Name of Policy
Administrative	*Niagara Region Incentives Policy*

PUBLIC REALM		
Public Realm Investment Program	Matching grant for capital projects that provide public realm enhancements on Regional roads in core areas	Regional Matching Grant to Local Area Municipality

Appendix 2: Aligned Regional Incentive Programs

Program	Regional Program minimums/maximums	Key Parameters	Key Performance Indicators
AFFORDABLE HOUSING			
Partnership Housing Program Suite of Incentives (e.g., grants, deferrals)	Determined on a case by case basis depending on funding/contributions available	Scoring criteria weighted to projects increasing purpose-built rental and creating affordable units for waitlist tenants at lower cost than Regional construction	Number of affordable units created Number of households removed from NRH waitlist Amount of incentive per unit
Affordable and Supportive Housing Regional Development Charge Deferral	Up to 100% of Regional DCs deferred for eligible units as long as they remain affordable	Some units which move households off wait list may have DCs granted after specified time period	Number of affordable units created Number of households removed from NRH waitlist Amount of incentive per unit
Non-Profit Grant Regional Development Charge Grant	Up to 100% of Regional DCs Annual budget (current $150k)	Scoring criteria for projects based on alignment with Regional priorities	Number of affordable units created Number of households removed from NRH waitlist Amount of incentive per unit
Intensification Grant Regional Development Charge Grant	100% of Regional DCs granted for eligible projects	Includes interior and exterior secondary suites as defined by provincial DC Act	Number and type of units rental created (affordable, attainable)
Residential Rental Grant Regional Project Grant	Maximum $40k/unit for up to two units Annual budget	Must remain affordable rental units for a minimum of 10 years	Number and type of units rental created (affordable, attainable)
Small Building Rental Grant Regional Project Grant	Maximum grant of $15k/unit for up to five units Annual budget	Must remain affordable rental units for a minimum of 10 years	Number and type of units rental created (affordable, attainable)
NRH Home Ownership Downpayment Assistance Forgivable Loan	Up to 5% of down payment Provincial funding	Must meet age, renter household, income and asset requirements	Number of affordable units purchased Number of households removed from NRH waitlist Amount of incentive per unit

NRH Niagara Renovates Homeownership Forgivable Loan	Up to $22k for eligible projects and up to $5k in accessibility renovations Provincial funding	Must meet certain income and ownership requirements	Number of affordable units maintained through repair, accessible accommodation Amount of incentive per unit
NRH Niagara Renovates Multi-residential Forgivable Loan	Maximum $10k/unit, maximum per building of $25k-$90k depending on number of units Provincial funding	Must have over two units, units must be at or below average market rent for 15 years	Number of affordable units maintained through repair, accessible accommodation Amount of incentive per unit
NRH Non-Profit and Co-op Capital Repair Costs Forgivable Loan	Federal/provincial funding Grant maximums dependent on funding	Must have agreements with Housing Services Ranked on criteria including urgency, ability to fund	Number of affordable units maintained Amount of incentive per unit
NRH Housing Provider Capital Loan Program Loan and Grant	Annual program budget Grant maximums dependent on funding	Must have agreements with Housing Services Must be non-profit or co-op Ranked on criteria including urgency, ability to fund	Number of affordable units maintained Amount of incentive per unit
EMPLOYMENT			
Gateway CIP Tax Increment Grant Local and Regional Gateway CIP matching grant	Maximum 100% TIG for 10 years in Strategic Locations for Investment (five years outside SLIs)	With Local Municipalities, align Smart Growth criteria with industrial development Review of Strategic Locations for Investment	Number of jobs created Amount of grant provided
Gateway CIP Regional DC Grant Local and Regional Gateway CIP matching grant	Maximum $1.5M per project	Local DC matching grant required	Number of jobs created Amount of grant provided

Niagara Business Attraction Tax Increment Grant Local CIP matching grant	Maximum of 75% of Gateway TIG calculation for five years	Project must be approved by LAM under a CIP	Number of jobs created Number of Local Municipal matching programs
Regional Employment Grant Regional Development Charge Grant	1-10 full time positions created = 50% of RDCs 11-20 full time positions created = 75% of RDCs 21+ full time positions created = 100% of RDCs	Eligible employment sectors are Manufacturing (NAICS 31-33) and Professional, Scientific and Technical Services (NAICS 54, with some exceptions)	Number of jobs created Employment sectors of new jobs
50% Industrial Expansion Grant Regional Development Charge Grant	100% of DCs on maximum of 50% of gross floor area prior to first enlargement	See maximum and minimums	Number of jobs created Square feet added
BROWNFIELD			
Brownfield Tax Increment Grant Tier 1: Select Sites (Local CIP)	80% or 100% with affordable housing 10 Years - fixed calculation Annual grant no greater than $10M Minimum $5M in remediation costs	For remediation costs only Eligible sites identified in collaboration with local municipalities Project must be approved by LAM under a CIP	Acres remediated in urban area Affordable housing units created Number of jobs created Increase in assessment value
Brownfield Tax Increment Grant Tier 2 (Local CIP)	60% or 80% with affordable housing 10 Years - Fixed calculation Annual grant no greater than $1M Minimum $250k in remediation costs	For remediation costs only Project must be approved by LAM under a CIP	Acres remediated in urban area Affordable housing units created Number of jobs created Increase in assessment value
Brownfield RDC Deferral Regional Development Charge Deferral	100% of RDCs may be deferred until occupancy permit issued or five years from signing of agreement, whichever is first	May stack with BTIG	Acres remediated in urban area Affordable housing units created Number of jobs created Increase in assessment value

PUBLIC REALM			
Public Realm Investment Program Regional Matching Grant	$25,000 minimum to $150,000 maximum per grant Annual program budget (current $350K)	Within or directly adjacent to a Regional Road right-of-way and areas of significant Regional investment in urban and core areas	Kms of roads/trails created or improved Number of trees planted Accessibility components installed Amount of place-making features and public art installed

Corporate Services Department
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MEMORANDUM

RDCPTF-C 7-2021

Subject: Development Charges Grant Expenditures under 2017 Regional Development Charges By-law

Date: July 29, 2021

To: Regional Development Charge Policy Task Force

From: Rob Fleming, Senior Tax & Revenue Analyst

The intent of this memo is to provide the task force with context regarding Regional development charge (DC) grants that are currently contained within the 2017 DC By-law. Included as Appendix 1 to this memo is a summary of DC grants provided each full year since the By-law's inception in 2017 forecasted out to year-end 2021. The 2018 to 2020 values represent actuals for that year while 2021 represents a forecast to year-end based on current trends.

As can be noted in the Appendix, DC grants represents a significant component of the annual DC collections and the Region's annual general tax levy. The DC Act specifies that DC collection deficits as a result of DC grants cannot be made up from future DC collections therefore the Region funds the DC grants from the annual tax levy in order to keep the DC reserves whole. As such, a percentage calculation has also been provided in the Appendix which compares the annual grants for the year to that year's annual general tax levy amount. Year 2018 represents the most significant grant year for the Region which resulted in $13M in DC grant awards based on the provisions of the 2017 DC By-law. This $13M represented nearly 30% of total DC collections and nearly 4% of the Region's general tax levy for the year.

On July 22, 2021, Region staff held a workshop with Regional Council to provide an overview of the Regional Incentive Review Team's recommendations on future incentive programs which included programs related to DCs. The Team's recommendations were based on the Council approved Incentive Pillars of: brownfield redevelopment, employment in key sectors, affordable housing and public realm. As can be noted in the Appendix, many of the Region current discretionary DC grant programs are not directly tied to the Council approved Incentive Pillars which is the primary reason for Incentive Review recommending that many of the current discretionary grants not continue beyond the current DC By-law. In 2018, for example, 73% of the $13M in awarded grants did not relate to an approved incentive pillar. The focus will be to create discretionary DC grant programs which are aligned with the previously established incentive pillars and that are outside of a DC By-law in separate policies in order to ensure that these future programs can be adaptable, flexible and more successful in advancing Council objectives.

Respectfully submitted and signed by

Rob Fleming, MBA
Senior Tax & Revenue Analyst

Appendix 1 - Regional Development Charge Grant Awarded under 2017 RDC By-law

Appendix 1 – Regional Development Charge Grant Awarded under 2017 RDC By-law ($000)

Grant Program*	2018	2019	2020	2021 Forecast**
Phase-In Grant (D)	3,704	2,672	0	0
Brownfield (D)	324	1,766	0	63
Smart Growth (D)	366	23	174	137
Long-Term Care (D)	0	410	0	0
Affordable Housing (D)	1,142	0	706	0
Parking Garage (D)	0	0	188	0
Agricultural (D)	5,381	179	0	0
Place of Worship (D)	0	384	0	0
Non-Profit (D)	144	150	150	150
Industrial & Gateway (D)	1,054	782	317	1.163
Hotels/Motels (D)	275	1,582	7	3
Other (D)	42	169	102	0
50% Industrial Expansion (M)	486	218	279	0
Residential Intensification (M)	93	39	0	0
Board of Education	36	0	0	0
Forecast to Year-End				4,448
Total DC Grants	**13,047**	**8,372**	**1,925**	**5,964**
Annual Budget	**4,238**	**5,289**	**6,868**	**7,868**
Annual Variance	**(8,809)**	**(3,083)**	**4,943**	**1,904**
Total DC Grants as % of DC Collections	**27%**	**18%**	**5%**	**15%**
Total DC Grants as % of Tax Levy	**3.8%**	**2.3%**	**0.5%**	**1.5%**
% Unaligned with Council Grant Pillars	**73%**	**41%**	**24%**	

* RDC grants and collections based on actual results for 2018 to 2020. Data is not included for 2017 as the RDC By-law was only in effect from September 1 to December 31, 2017.

** Actual grants and collections to June 30, 2021 with forecast to December 31, 2021.

(D) – Discretionary DC Grants; (M) – Mandatory DC Grants

South Niagara Falls Wastewater Solutions Schedule C Class Environmental Assessment

Committee of the Whole

August 5, 2021

Niagara Region

South Niagara Falls Wastewater Solutions Schedule C Class Environmental Assessment

PW-39-2021

Wastewater Program and Cost Estimate Update

Thursday, August 5, 2021

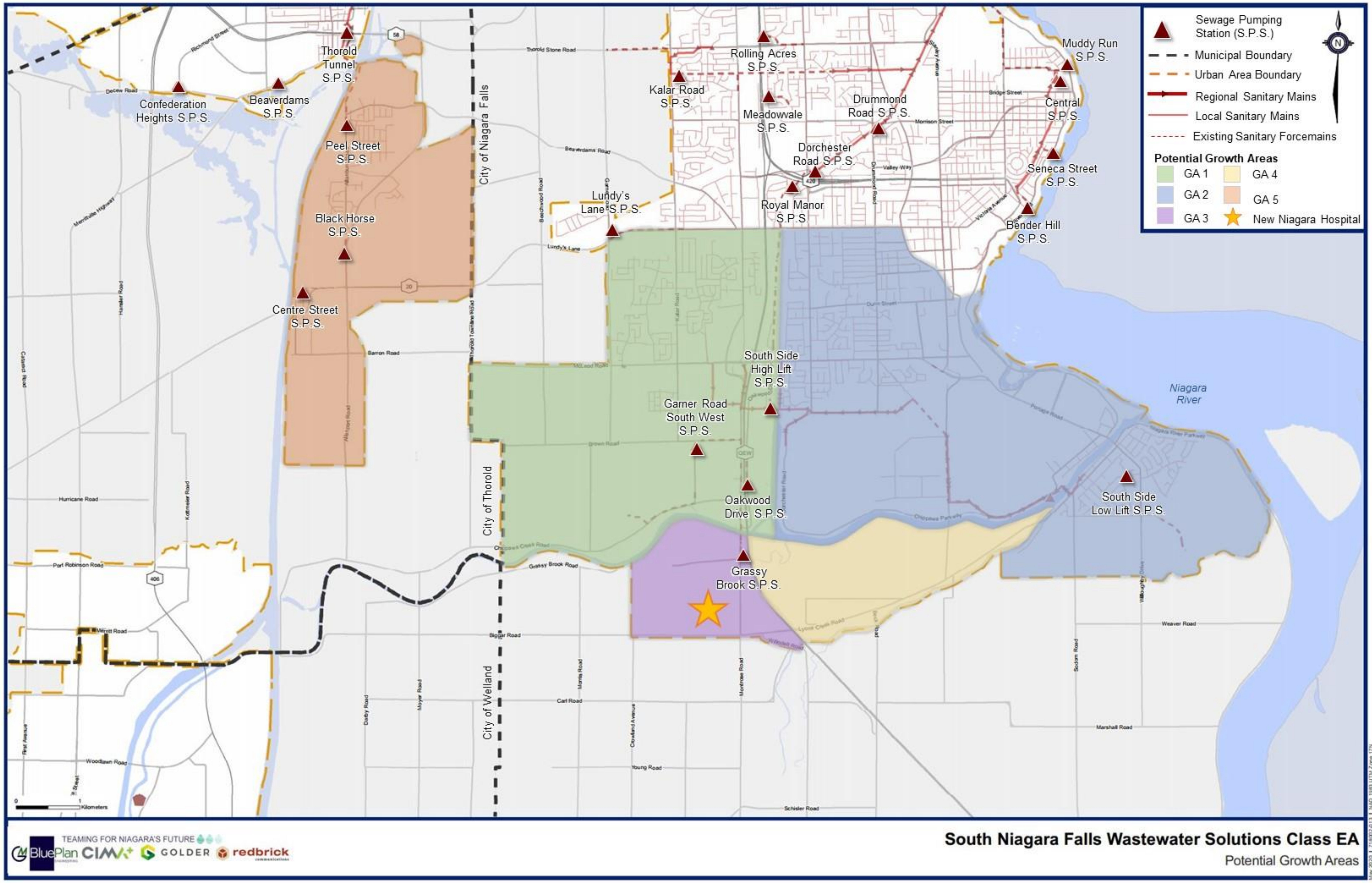
Workshop Agenda

1. Project Background and Strategy Update
2. Cost Estimates
3. Financial Review
4. Key Considerations and Risk Management
5. WWTP Property Update
6. Next Steps
7. Q & A

2017 MSP Overview and Recommendations

- 2041 growth projections were developed through the Municipal Comprehensive Review (MCR) process, approved by Council and utilized in the Master Servicing Plan (MSP) Update
- The MSP developed Region-wide servicing strategies and established the Niagara Falls strategy including the new WWTP
- Niagara Falls Strategy:
    - Go North vs New Plant
    - Rationale for selection (financial, technical feasibility of expanding existing system, development pressures/growth)
    - Foundation moving forward into Class EA
- Identified need for new South Niagara Falls Wastewater Treatment Plant (SNF WWTP)
- Recommended moving forward to Schedule C Class EA

Projected Growth

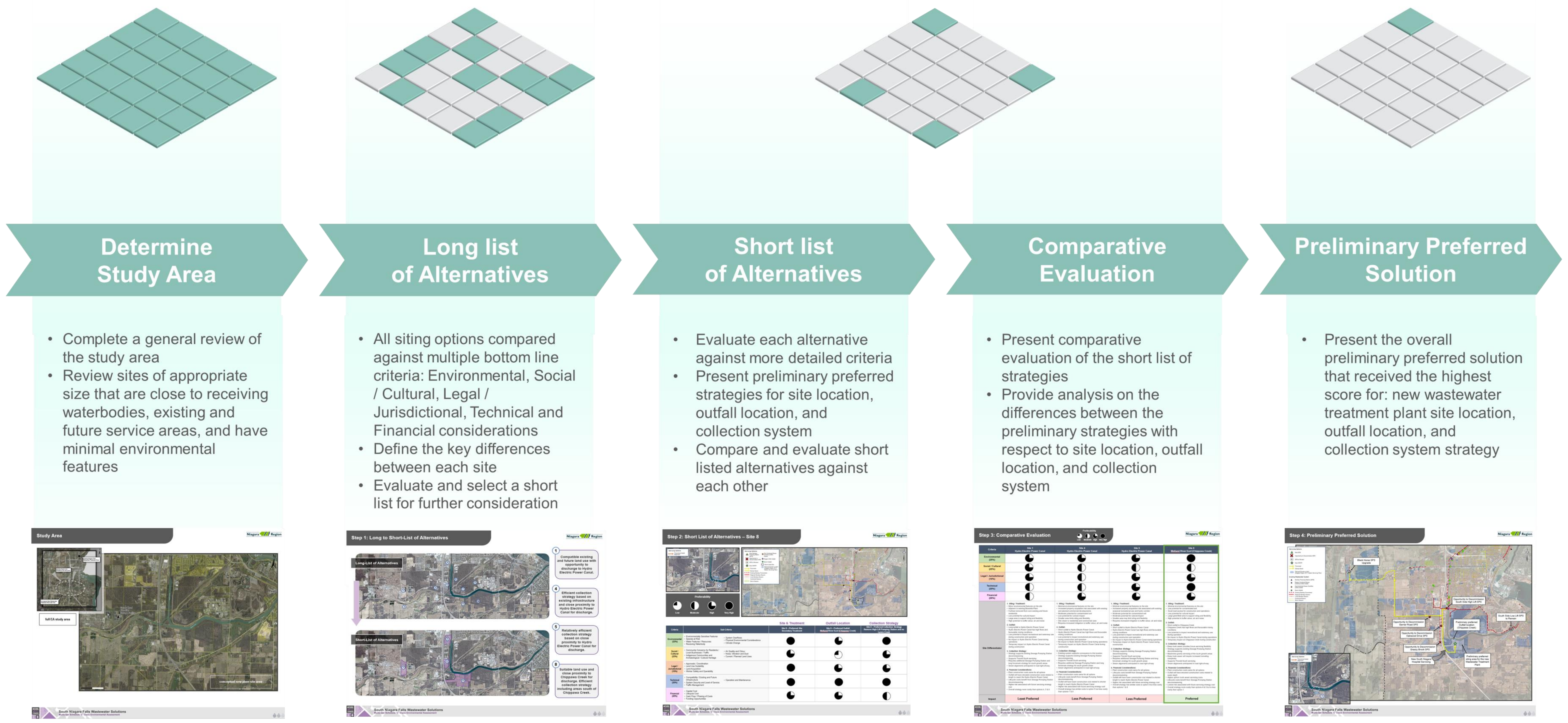


MOVING WATER FORWARD

August 5, 2021
Slide 4

SNFWWS Class EA Process Overview

- Pre-Consultation and Stakeholder Engagement
- 3 Public Information Centres (PICs) to date, 1 more anticipated in late fall 2021
- Extensive Development and Evaluation of Alternatives
    - Treatment Plant Site
    - Collection System Strategy
    - Outfall Location



- Presented Preliminary Preferred Solution to the Public on March 11, 2020
- Supported Preferred Solution – Moving forward with Design Concepts

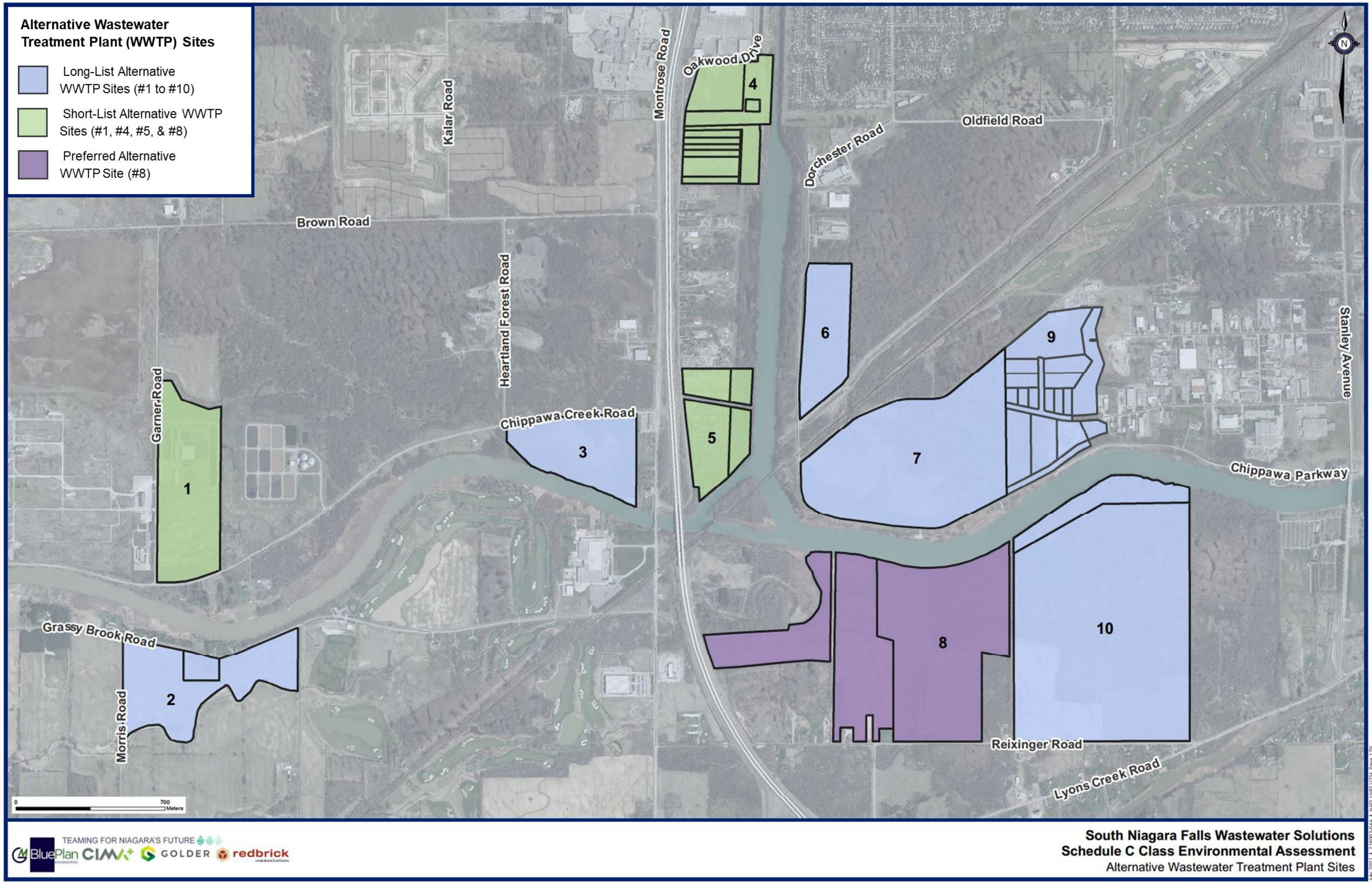
SNFWWS Class EA Process Overview

Niagara Region

- Phase 3 of the Class EA process – summer 2020 to summer 2021
  - Completed more detailed environmental, cultural/heritage and archaeological investigations on the site and for the trunk sewer alignment
  - Completed more detailed geotechnical/hydrogeotechnical investigations on the preferred strategy
  - Addressed new archaeological information that came forward in fall 2020 related to the site
  - Confirming orientation of the facilities on the site as well as the outfall location at Chippawa Creek
  - Confirmed Montrose Road for trunk sewer alignment
  - Significant coordination and stakeholder engagement throughout Phase 3, including with the City of Niagara Falls, City of Thorold, Region Planning and Development Services, and Corporate Services
  - Minimizing risk and surprises in next steps of implementation
- Anticipate final Public Information Centre (PIC) late fall 2021
  - Update on investigations
  - Final alignments and WWTP site
  - Final technical considerations including WWTP design concept
- Complete conceptual design in late fall 2021
- File complete Class EA Environmental Study Report (ESR) with all supporting documentation in early 2022

SNFWWS Class EA Preferred Solution

Sites Considered



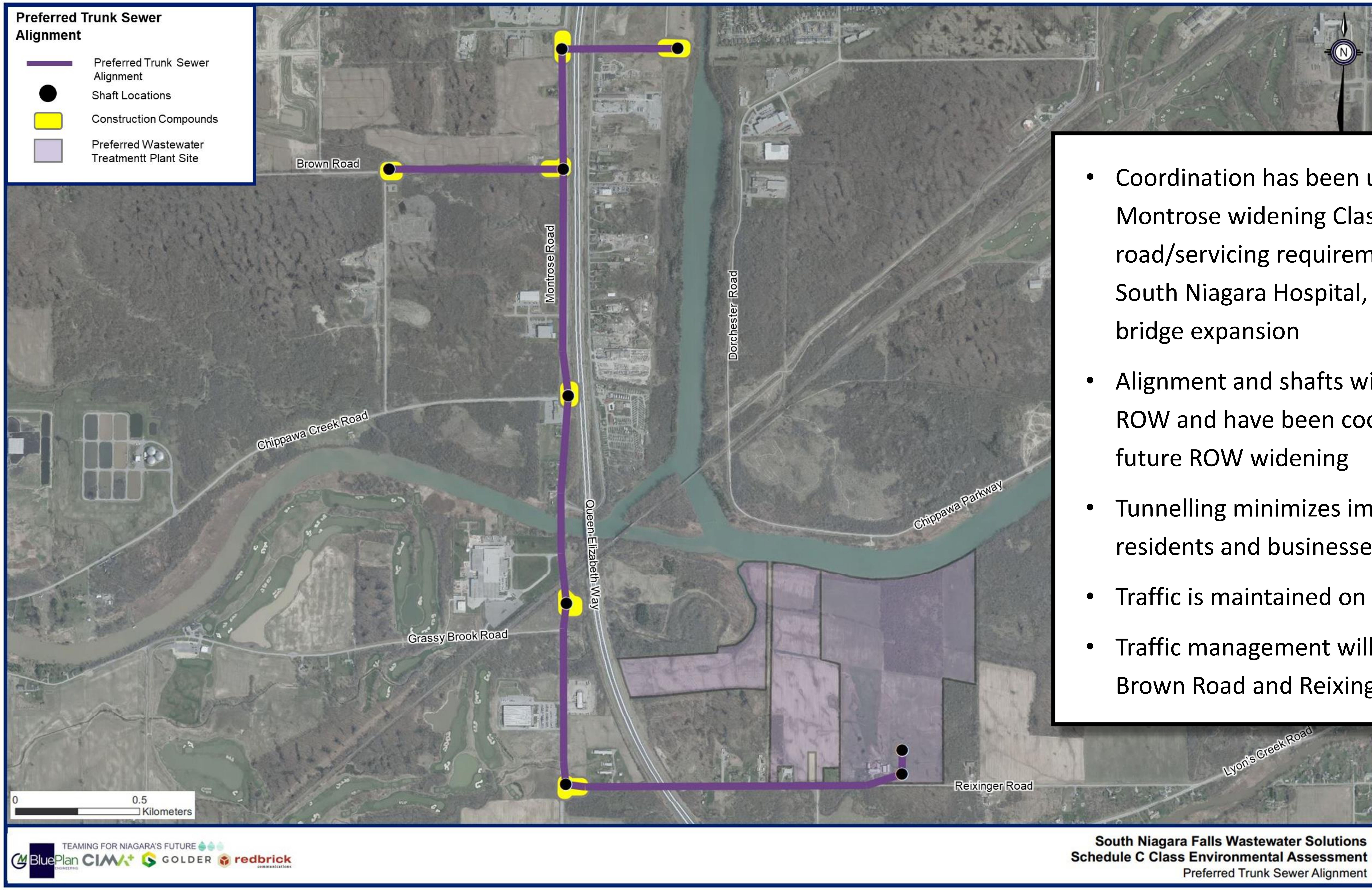
Preferred WWTP Site

Selection Rationale:

- In the heart of the future growth areas
- Strategic location to maximize gravity servicing to the new WWTP – cost effective collection system strategy
- Expansion flexibility, supports 2051 and beyond growth areas
- Supportive location with MECP for outfall discharge to Chippawa Creek
- Sufficient site area to work within environmental and archaeological constraints
- Manageable property costs
- Site location and sewer alignment provides for:
  - SPS decommissioning and reduced long term operating costs
  - Significant wet weather overflow reductions

Preferred Trunk Sewer

Niagara Region



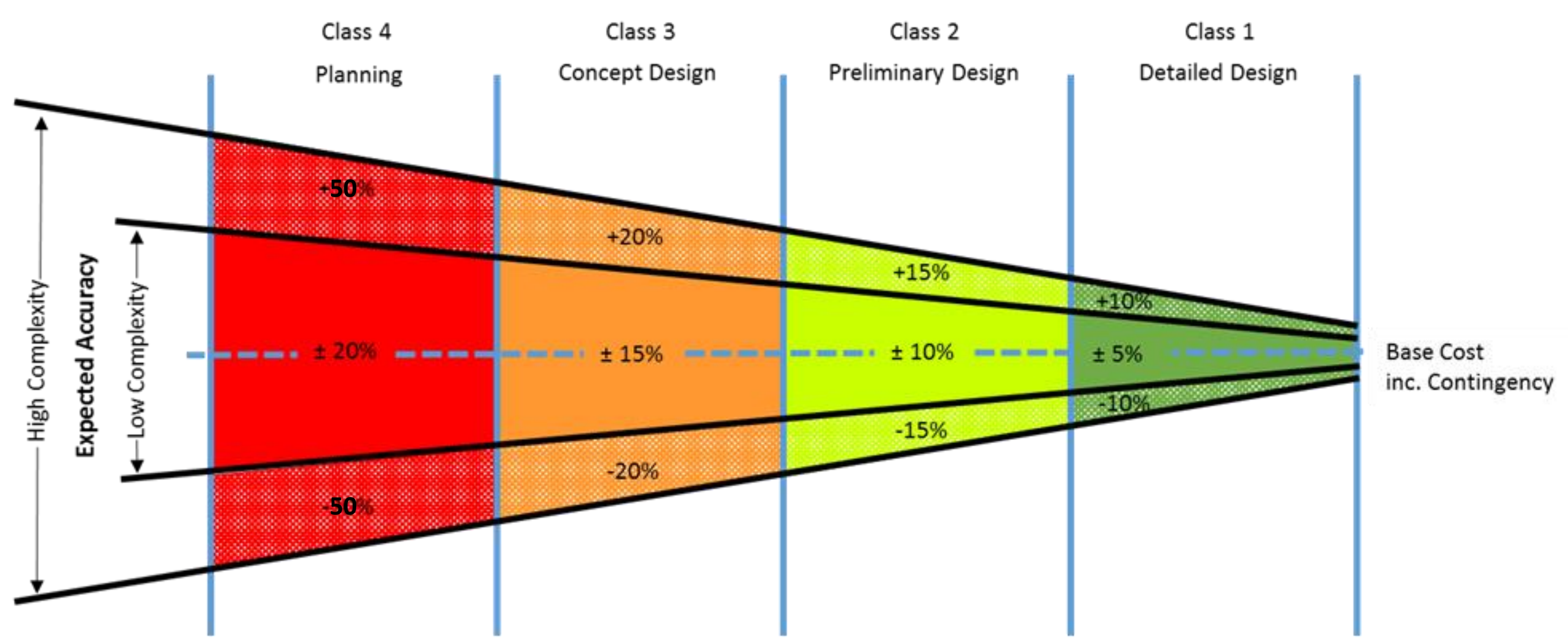
- Coordination has been undertaken with Montrose widening Class EA, the road/servicing requirements for the South Niagara Hospital, and the future bridge expansion
- Alignment and shafts within existing ROW and have been coordination with future ROW widening
- Tunnelling minimizes impacts to residents and businesses
- Traffic is maintained on Montrose Road
- Traffic management will be required at Brown Road and Reixinger Road

Cost Estimation Principles and Accuracy

Niagara Region

- Cost estimating accuracy will improve as a project moves through concept to design stages
- The MSP cost estimates are truly planning level, anticipate normal levels of complexity and constructability, and in some cases have limited information for costing
- Class EA cost estimates will start at planning/conceptual level in Phase 2 and will continue to improve in accuracy to conceptual/preliminary design level in Phase 3
- The Class EA process will result in complete refinement of the projects technically (design basis) as well as result in a more accurate budget level cost estimate

	Estimate Class	Estimate Class Description	End Usage / Major Deliverables	Accuracy Range (+/-)	
				Low Complexity	High Complexity
D	Class 4	Planning Cost Estimate	Concept Screening; justification for project planning funding. Minimum information requirements.	20 →	50
C	Class 3	Concept Design Cost Estimate	Basis for budgeting and approvals.	15 →	20
B	Class 2	Preliminary Design Cost Estimate	Used for project cost control during design; initial detailed estimate.	10 →	15
A	Class 1	Detailed Design Cost Estimate	Final cost review in preparation for construction; tender ready.	5 →	10



Cost Estimation Approach

- Unit rates
- Specific project review
- Reference to previous/ongoing Region projects
- Industry benchmark
- Include construction as well as internal/external engineering costs etc
- Contingency
- Current year dollars
- Phase 2 and Phase 3 constructability and certified cost estimating reviews

- Class EA Phase 3 Cost Estimate has resulted in increased costs compared to Sept 2020

Cost Estimate Update

- Moving from conceptual Phase 2 information to more detailed information under Phase 3
- Program Cost Increase from $325.10M to $399.64M ($74.55 or 19% increase) from previous 2020 estimate
- Some component estimates have increased while others have decreased
- Ensuring review and discussion at each point of program update and cost update

Cost Estimate Increase Rationale

- Most significant impact: geotechnical conditions (soils) in the area for the WWTP site as well as the trunk sewer alignment
  - Prevalent across the Study Area
  - Impacts WWTP foundation – requires piles
  - Impacts trunk sewer tunnelling constructability
  - $20M increase at the WWTP (9% increase), $15M increase for the trunk sewer (16% increase)
- Better detail from the conceptual design of the new WWTP
  - Reflects best practice review, staff review, and project team workshops.
  - Overall site and facility optimization to provide long term benefit for operation and maintenance, consideration for green / energy applications while being mindful of project budget.
  - Sizing of some elements to support future expansions.
  - Areas that contributed to the additional costs (represents $15M or 7% increase) include:
    - Optimal sizing for the inlet pumping station, headworks, digestion, and disinfection
    - Waste Activated Sludge (WAS) thickening for improved operations
    - Enhanced road network, RV station and hauled sludge facility to support Region-wide activities

Cost Benefit Validation

- MSP undertook a cost benefit evaluation of the Go North vs New Plant options
- Class EA has validated the Cost Benefit Analysis
- New Plant was selected as preferred
    - Better ongoing financial risk management (capacity phasing, greenfield construction)
    - Greater flexibility and ability to service long term growth
    - More efficient and cost effective post period capacity
    - Avoids difficult and costly construction related to existing infrastructure within urban developed areas as well as site constraints at the existing Stanley Ave WWTP
- SNF strategy provides broader benefit:
    - Supports servicing and mitigating system issues in Niagara Falls, including North NF and Chippawa, and Thorold South
    - Frees up capacity for NOTL and St. Catharines

Gross Cost Comparison (in millions)

Niagara Region

Project	Revised Estimates	Prior Estimates	Difference
SNF WWTP	$ 247.66	$ 192.65	$ 55.01
New South West Trunk Sewer - South Niagara Falls	107.82	85.34	22.48
New South West Trunk Sewer	19.61	9.77	9.84
Black Horse Sewage Pumping Station	5.91	4.39	1.52
Project Additions	**$ 381.00**	**$ 292.15**	**$ 88.85**
New SNF WWTP Outfall	5.74	10.63	(4.89)
Black Horse Forecemain	3.32	12.73	(9.41)
Project Reductions	**9.06**	**23.36**	**(14.30)**
Peel Street SPS Upgrades and Forcemain	5.92	5.92	-
South Side High Lift Pumping Station Decommissioning	0.63	0.63	-
Garner, Oakwood, Grassy Brook SPS Decommissioning	1.14	1.14	-
McLeod Road Overflow Diversion	1.89	1.89	-
Projects With No Changes	**9.58**	**9.58**	-
Total SNF Projects Budget	**$ 399.64**	**$ 325.10**	**$ 74.55**

Project estimates are based on costs indexed to the year of expenditure

MOVING WATER FORWARD

Incremental Impacts to Financing

Project	External Grants	DCs (Debt)	Debt	Total
New SNF WWTP	$ 36.67	$ 6.03	$ 12.31	$ 55.01
New South West Trunk Sewer - South Niagara Falls	-	26.52	(4.04)	22.48
New South West Trunk Sewer	-	7.38	2.46	9.84
Black Horse Sewage Pumping Station (SPS)	-	1.00	0.52	1.52
New SNF WWTP Outfall	-	(3.24)	(1.65)	(4.89)
Black Horse Forecemain	-	(8.16)	(1.25)	(9.41)
Peel Street SPS Upgrades and Forcemain	-	(0.29)	0.29	(0.00)
Total SNF Project Incremental Funding	**$ 36.67**	**$ 29.24**	**$ 8.64**	**$ 74.55**
		Total Debt	**$ 37.88**	

The net increase of *$74.55* million to the project budgets is to be funded by:

- External Grants - $36.67M
- Debt - $37.87M
  - $29.23M of debt recovered by DCs
  - $8.64M funded through rate requisition

MOVING WATER FORWARD

Operating Budget – Background

As per policy, the operating budget impact to fund additional debt and operating costs for capital works needs to be approved in the same year as the capital works are approved.

- In the 2021 Operating Budget, a placeholder to accommodate the plant operations and the debt repayment costs was included in the amount of $9M. This was funded from a reduction in the transfers to WW reserves.

- Debt charges and plant operating costs will not be required to be paid until the debt is issued and the plant is operational (2026/2027).

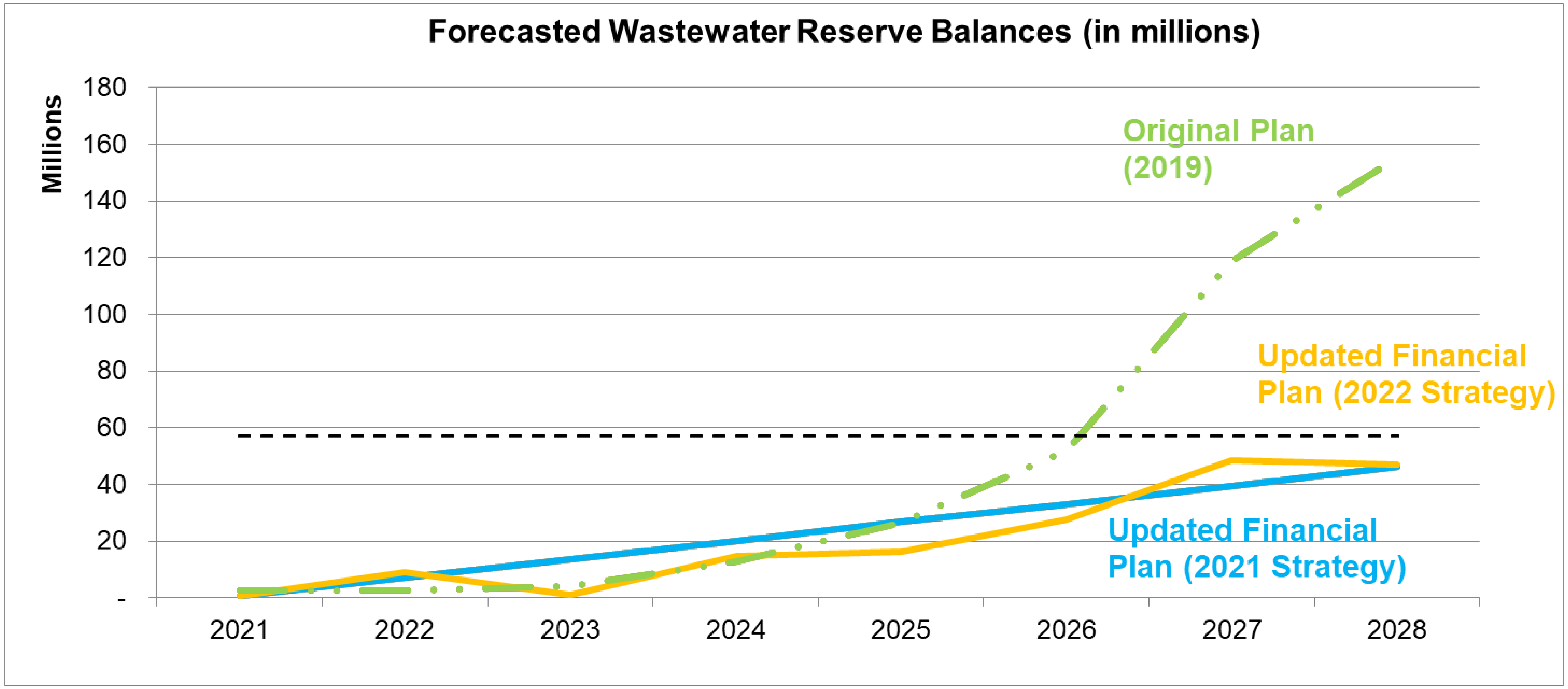
- Until the funds are needed for debt charges or the cost of operations, they can be used to fund other WW capital projects.

Operating Budget Impacts (in millions)

Description	2022 Financing Strategy	2021 Financing Strategy	Variance	Notes
Annual Debt Charge Budget (net of DC recovery)	$15.0 - Debt (10.6) - DC $4.4	$12.5 - Debt ($8.7) - DC $3.8	$0.6	• Increase in placeholder required to fund additional project debt
Transfer to WW capital	$12.2	$12.8	$(0.6)	• Reduction required to offset additional debt charges of SNF projects

To accommodate the additional debt required, the placeholder for debt charges will increase by $600K, and offset by a reduction in the transfers to reserves.

Capital Reserves Impact



- Increase to debt is offset by a reduction in transfers to reserves, however the current project estimate does not alter the 2021 reserve strategy.
- Capital reserves are estimated to reach $47M by 2028 vs. target of $57M

Other Finance Considerations

- Further initiation of the capital budget for future phases is contingent on external funding confirmation
    - Staff is still advocating for external funding to support the project (estimated at $145M with budget increase)

- Staff continues to monitor debt impacts on the S&P ratio and ARL
    - Total approved debt for the Region inclusive of these changes is within limits:
        - ARL estimated at 9.74%; limit is 25%
        - S&P ratio, which includes LAM debt as well, estimated at 116%; limit is 120%

Development Charges – Region Wide

DC Type	Current	Previous SNF Impact	Revised SNF Impact
Single	$4,946	$6,647	$7,221
Apartment 2+Bdrm	3,434	4,614	5,013
Apartment Bach/1 Bdrm	2,040	2,741	2,978
Other multiple	3,603	4,842	5,260
Spatial Care	1,807	2,513	2,730
Commercial (sq foot)	3.55	4.77	5.19
Industrial (sq foot)	1.48	1.99	2.16
Institutional (sq foot)	2.54	3.41	3.71
Increase % on WW DC Only		**34%**	**46%**
Increase on Total Res DC		**8%**	**11%**
Increase on Total Non-Res DC		**10%**	**13%**

- Based on the 2017 DC Study the estimated impacts to 2022 DC Study from the SNF Budget are:
  - **11%** increase to residential development charges
  - **13%** increase to non-residential development charges

SNFWWS Strategy Benefits

- The Class EA has established an optimized strategy that balances the needs for the plant, the outfall and collection system
- Meets the capacity needs for growth and addresses current limitations
- While costs have increased since the MSP, the long term strategy is enhanced and other efficiencies and cost savings have been gained
- The updated wastewater strategy that will provide improved level of service, enhanced ability to address wet weather flows, and greater flexibility for efficient servicing in the future
    - Incoming trunk sewer is at a depth to support servicing of broader growth areas including the Chippawa area
    - Trunk sewer is located to support future servicing east of the QEW, west of the QEW and other potential growth areas
    - Trunk sewer sizing will support managing wet weather flows to the plant (storage)
    - South Thorold infrastructure located to efficiently service future growth
    - The strategy will reduce wet weather overflow volume to the environment by over 60%
- Reduction of existing Operation and Maintenance costs from SPS Decommissioning
- Reduction of Lifecycle costs (sustainability upgrades, major maintenance/rehabilitation/replacement) from SPS Decommissioning

Ongoing Risk Management

- Site Investigations still require completion
  - Some Stage 2 archaeological assessments are still remaining. Further detailed field investigations will be completed to support the detailed design.
- Design and Construction approach for the trunk sewer will be developed to manage risks and provide competitive bidding
- Final Designs will be completed in the subsequent phases – design concept has been sufficiently moved forward at this stage
- Cost Uncertainty with respect to materials, equipment and overall market conditions – COVID-19 related, difficult estimating out to year 2027
- Property Acquisition
- Risk Management Plan and Risk Registry have been utilized throughout the project process

Property Discussions

- Multiple bottom line criteria evaluation and risk assessment resulted in the recommendation for the new WWTP and outfall pipe to be constructed solely at 6811 Reixinger Road. Utilization of the full property at 6811 Reixinger Road allows the Region to:
  - Provide the maximize buffer from existing and future neighbouring properties
  - Ensure available land is secured now for future expansion beyond the planning horizon
  - Optimize WWTP layout and process configuration within the preferred site
  - Minimize the required archaeological remediation and impact to environmental features.
  - Coordinate the property purchase with a single land owner
  - Address MECP property set back requirements

Property Discussions

- An accredited property appraisal has been completed
- Open discussions with the property owner have been undertaken to date
- Regional staff will be providing the owner with an offer
- If the offer is not accepted by the owner, Regional staff with external legal counsel will request to initiate formal expropriation proceedings to acquire the property
    - 3rd party adjudicated process
    - Helps finalize price
- Region staff and the property owner have made continued effort to work through the process and acquire the land amicably
- The property appraisal value for the preferred WWTP site is within the approved property budget. Final property purchase costs are not yet known. Staff will reengage Council as necessary throughout the property acquisition process.
- Recommend clarity on property status before filing Class EA document. Final property transfer required prior to 2024.

Key Take-Aways

- SNF WW Program is a significant infrastructure program for the Region
- Multi-generational project, “100 year” investment
- SNF WW Program provides benefit to multiple municipalities
- The infrastructure is strategically located to support key planned and future growth areas
    - South Niagara Hospital
    - Active development interests
- A sustainable financial plan has been established to deliver the program
    - Balancing funding, DC, budget impacts
    - Region can continue to support ongoing capital programs and future budgets
    - Achieving goal of cost estimate transparency/clarity and understanding full program costs
    - Acknowledge that scope and costing will continue to be refined/updated as the process moves through detailed design and tendering
- There is a greater understanding of project risks and constructability at the Class EA stage of the program
    - Greater level of effort now to minimize surprises later during design and tendering
- Continued development of project plan and risk management plan
- Class EA process has been positive and successful to date
- Critical component of the Region’s Strategic Plan and “How We Grow”

Class EA Process Next Steps

Niagara Region

Schedule:

March 2020: Public Information Centre No. 3
(Presented preliminary preferred plant site, outfall location and collection strategy)

Spring 2020 – Fall 2021: Validate preferred solution and work through conceptual design

Fall 2021: Public Information Centre No. 4
(Select preferred design concept, provide updated details on the strategy)

Early 2022: Environmental Assessment completion

2022: Post EA - Design & Construction
2027: Post EA - Estimated plant in-service date

South Niagara Falls Wastewater Solutions
Class 'C' Environmental Assessment Update

Brief and Frequently Asked Questions for Council to accompany Report PW 39-2021

Purpose

Report PW 39-2021 recommends Regional Council "consider a budget increase to the capital projects associated with the new South Niagara Falls Wastewater Treatment Plant as part of the 2022 budget process."

The project team has prepared this document to help clarify and emphasize key points in the report, to answer anticipated questions, and to support elected officials in your conversations with members of the community.

Key takeaways

- The project is an investment in Niagara region's future for the next 100 plus years. It is an investment today to ensure we have the infrastructure we need to attract and serve people who live, work, visit and invest in our community for generations to come.
- The EA has validated the preferred solution, which will open up opportunities for:
    - ✓ growth and development
    - ✓ environmental sustainability
    - ✓ more efficient and flexible wastewater servicing
    - ✓ reduced future operating costs
    - ✓ benefits to Niagara Falls, Thorold, St. Catharines, and Niagara-on-the-Lake.
- The latest information is informed by extensive field testing and consultation and collaboration with internal teams, local municipalities, key stakeholders and the public.
- There is still work to do. We are on track, and the EA has been positive and successful to date. Through this comprehensive process, we are doing a lot of up-front work to identify potential issues now, so the Region is best positioned to plan ahead, anticipate challenges and mitigate risks. We know more today than we did a year ago and we are keeping our commitment to keep Council and the public up to date as we learn more.
- The 19% increase of the total budget estimate detailed in the report is well within the level of accuracy anticipated for this stage of the EA process. A sustainable financial plan has also been developed to deliver the program.

Frequently Asked Questions

1. *Why have the estimated costs risen?*
   Good information takes time to get, and we are able to give better estimates now as we complete Phase 3 of the EA, than we could when we presented to Council a year ago at the end of Phase 2.

   The most significant financial impacts are related to soils (geotechnical conditions) in the area and the trunk sewer alignment. Together, they represent approximately half of the increase we are presenting now, compared to 2020. Other factors in the increase include ensuring the scope allows us to optimize the design for future expansion and to leverage green energy applications.

   There are also two projects with revised cost estimates less than the approved budgets. These total a more than $14 million reduction.

   It is important to note that the COVID-19 pandemic presents challenges in predicting cost estimates. It is likely that fluctuations in market conditions for materials, equipment costs and labour will persist for the next several years.

2. *Will costs increase again?*
   Cost estimates are likely to be adjusted again as we move into the detailed design stages and continue to gather more information. At this stage, we are still within the level of accuracy expected. We will come back to Council on a regular basis with more realistic estimates are we progress. Please note that 3rd party certified cost estimator has been used in the EA. Another review will be completed before the EA is completed.

3. *How will these increased costs be covered?*
   The increase costs will be funded with a combination of debt and external funding, as per our previous strategy in 2021. We are using the same formula to estimate external funding where we expect that two thirds of the treatment plant costs (excluding design and land) will be funded with external grants ($36.67M).

   The remaining $37.87M will by funded by debt: $29.23M will be recovered by development charges; the remaining $8.64M will be funded from the rate requisition, resulting in a reduction in funds transferred to capital reserves.

4. *Is this solution still preferred over the “Go North” solution?*
   Yes. Based on the cost benefit analysis, this EA has validated the approach approved as part of the 2017 Master Servicing Plan. The “Go North” option would be subject to the same inflation costs, anticipated poor soils, a confined area for construction, additional property acquisition needs and technical challenges, as well as managing social and environmental issues, and needed upgrades to the Stanley Avenue WWTP.

   The long-term benefits achieved by building a new WWTP outweigh what could be achieved through the Go North option. As well, the latest growth projections through to

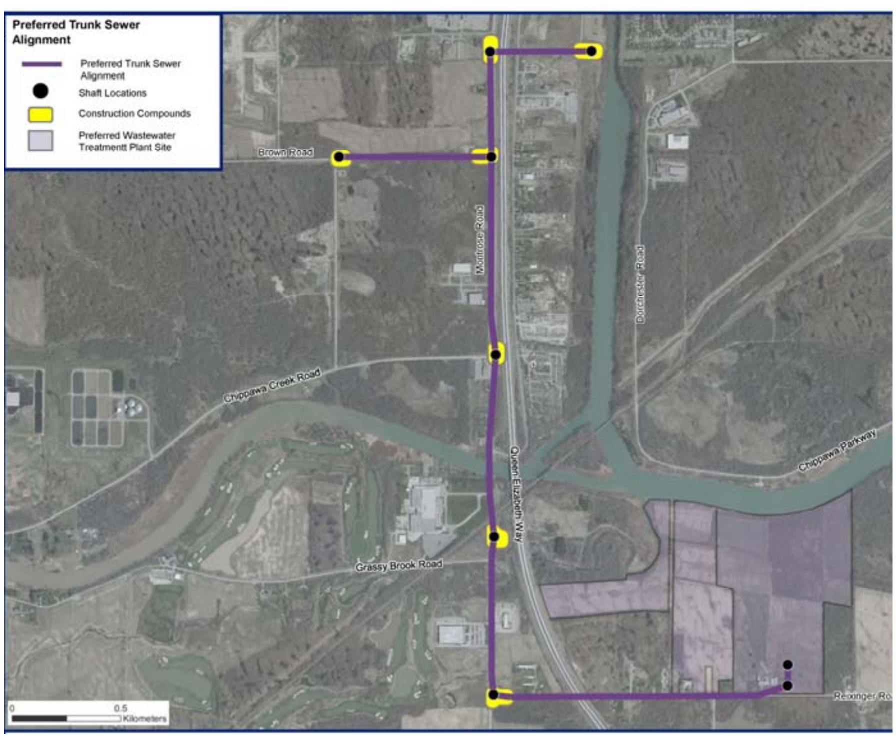
2051, also confirm the need for a South Niagara Falls Wastewater Treatment Plant and enhanced sewer system to take pressures off existing infrastructure.

5. *Will the Region be securing external funding for this project?*
   Yes. Staff are targeting to secure two thirds of the estimated WWTP costs ($145M) from external sources. This target is consistent with past investments made by other levels of government on large infrastructure projects, such as the new Niagara-on-the-Lake Wastewater Treatment Plant that received two thirds grant funding from Provincial and Federal sources. We are actively advocating for this funding now.

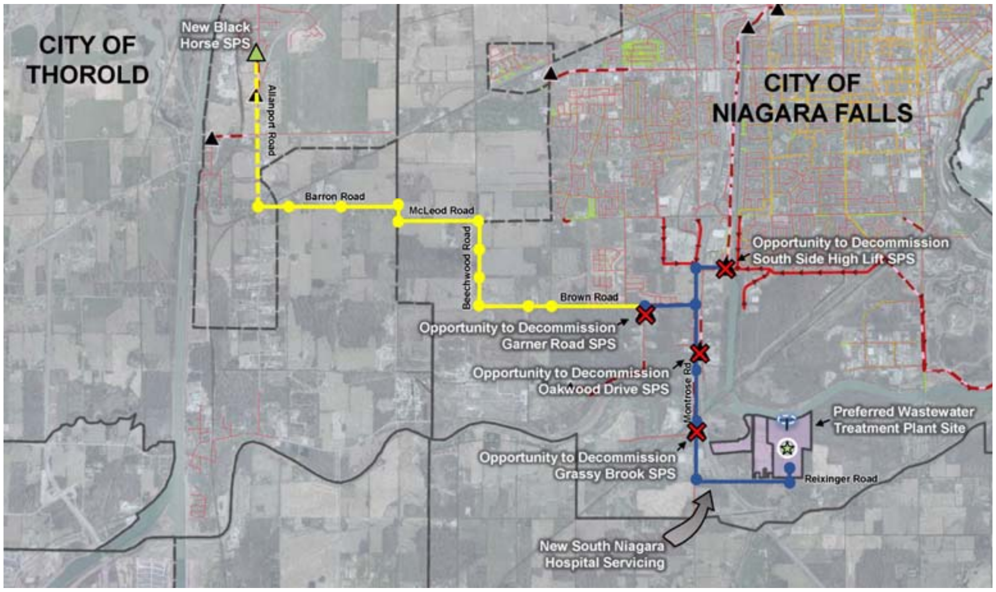
6. *Will the new wastewater treatment plant be completed in time to support for the new hospital?*
   The project team has been working closely with the Niagara Health System project team. We are reviewing the impacts of the updated flow projections from the new hospital. While the new plant and sewer may not initially be ready in time, we have an interim solution for the hospital through upgrades to the Grassy Brook sewage pumping station.

7. *What is the route for the sewer in south Niagara Falls?*
   Based on our more detailed investigations, we now propose the trunk sewer alignment to be along Montrose Road, on the west side of the QEW. This information is new and will be formally presented at the public information centre planned for fall 2021.

   We have been working closely with the Region staff team who leading the Montrose Road Widening and Development to align timing and ensure coordination.



8. *What is the preferred strategy to get existing and future flows from south Thorold to the new WWTP?*
   As recommended by the 2017 MSP, the team has reviewed and evaluated several options for the south Thorold strategy. The proposed strategy is to reverse the flows from the Peel Street and Black Horse sewage pumping stations through a new forcemain south along Highway 58 / Allanport Road to a new gravity trunk east along Barron Road, Mcleod Road, Beechwood Road and Brown Road. The new sewer will ultimately discharge to the new trunk sewer along Montrose Road. The project team has been working closely with the City of Niagara Falls and City of Thorold staff on this solution. As with the trunk sewer alignment, this information is new. We will be formally presenting it at the public information centre planned for fall 2021.



9. *The preferred site location is at 6811 Reixinger Road. What is the process and timing for the Region to purchase the property?*
   The Region has had a 3rd party conduct an appraisal on the value of the property and we have provided the report to the owner. The owner may opt to conduct his own independent appraisal. The Region intends to make an offer to the owner.

   Timing to complete the transaction depends on the owner's response. In the event that an agreement with the property owner cannot be reached, Regional staff, with external legal counsel, will request Council to approve the initiation of formal expropriation proceedings to acquire the property on a compulsory basis in accordance with the *Expropriations Act*. Expropriation allows for an adjudicated process to determine a price. This process could take up to 14 months. However, it remains our hope to avoid expropriation and acquire the lands amicably.

10. *What is the schedule for the project?*
The project team intends to have a final Public Information Centre by fall 2021 and complete the Environmental Assessment by early 2022. The detailed design of the new WWTP, plant outfall and the Montrose Road sewer will commence in 2022. Construction is expected to start in 2023 if all funding sources are secured.

Subject: South Niagara Falls Wastewater Treatment Plant – Budget and Property

Report to: Committee of the Whole

Report date: Thursday, August 5, 2021

Recommendations

That a budget increase to the capital projects associated with the new South Niagara Falls Wastewater Treatment Plant **BE CONSIDERED** as part of the 2022 budget process.

Key Facts

- The purpose of this report is to inform Council of the project status, provide an updated budget estimate for the capital projects associated with the new South Niagara Falls Wastewater Treatment Plant (SNF WWTP) including operating budget impacts, and ask Council to consider these project adjustments with the 2022 Capital Budget.
- Region staff will be presenting an offer to the property owner of the preferred site for the new WWTP based on the full narrative appraisal report prepared by an AACI-accredited appraiser. If accepted, staff will request approval to acquire the property from Council through a separate report. In the event that an agreement with the property owner cannot be reached, staff will request approval from Council through a separate report to initiate formal expropriation proceedings to acquire the property on a compulsory basis in accordance with the Expropriations Act.
- The new South Niagara Falls WWTP was recommended from the 2016 Water and Wastewater Master Servicing Plan (MSP) Update and endorsed by Regional Council on June 8, 2017.
- GM BluePlan Engineering Ltd is completing the Schedule 'C' Class Environmental Assessment (Class EA) for the program and is continuing to refine the recommendations from the MSP. The program provides a holistic study addressing the new wastewater treatment plant, major trunk sewer extensions, and the overall wastewater strategy for Niagara Falls, and for parts of the City of Thorold and Town of Niagara-on-the-Lake.

- In March 2020, the Region presented the selected preferred solution at a Public Information Centre (PIC) as part of the Class EA process, with the preferred site on Reixinger Road, east of the QEW.
- In September 2020, the Region and consultant project team provided Council a presentation on the project overview and cost estimate update to support the 2021 budget.
- Class D planning level cost estimates (+/- 50% level of accuracy) indicate that the total capital cost for the entire program could be $399.64M (indexed to the year of cashflow), which includes design, property acquisition, construction and commissioning of all components. This represents an increase of approximately $88.85M which is mitigated by a budget reduction of $14.30M for two of the projects for a combined impact of $74.55M
- Significant fieldwork and conceptual design is underway to improve the certainty of the cost estimate.
- The majority of the budget increase is growth related and the project revised estimates will be included in the 2021 Development Charge background study and 2022 DC by-law
- To better understand risks and costs associated with the preferred solutions, the project team has completed several field investigations during the Class EA, including geotechnical, hydrogeological, environmental site assessment, cultural heritage and archeology. The archaeological assessment has been partially completed on the preferred site. The progress of the remaining field work has been impeded by weather. The results are needed in order to fully understand the archeological potential on the site. The intention is to complete the work by the end of August 2021.
- Construction of most projects, including the new WWTP and trunk sewer are not anticipated to commence until 2023 and 2024, respectively.
- Region is actively pursuing funding from provincial and federal government.

Financial Considerations

The total approved budget for the SNF WWTP projects is $325.1M across ten different projects. As of July 18, 2021, there is approximately $2.8M spent and committed in the projects. The expenditures to date primarily consist of Environmental Assessment costs.

Of the approved budget of $325.1M , approximately $38.7M is initiated for the Class EA, land acquisition and design phases of four of the SNF WWTP projects (outlined in PW 39-2020). The remaining budget dollars will require subsequent reports to Council to initiate funds closer to the construction phases, with initiation contingent on confirmation of external funding. Staff continues to advocate with various levels of government for external funding to support the project.

Based on revised estimates to four of the SNF WWTP projects as described below, a total gross increase of $88.85M will be requested through the 2022 Capital Budget process. There are also two projects with revised cost estimates less than the approved budgets in the amount of $14.30M. The budget for those projects will be appropriately reduced to reflect the revised estimated value. Therefore the net increase to the SNF WWTP budgeted gross expenditures is $74.55M. The full impact of the changes to the budget including funding sources is provided in Appendix 1.

The primary reasons for the increase in cost from the 2020 estimates as outlined in PW 39-2020 to the current 2021 estimates are as follows:

- The 2020 estimates were based on the conceptual information prepared during Phase 2 of the Class EA process. Phase 3 of the Class EA process is nearing completion. Detailed information on the infrastructure and facility requirements has been utilized to develop the current cost estimates.
- Most significantly, new information has been made available regarding the geotechnical conditions (soils) in the area for the WWTP site as well as the trunk sewer alignment. The WWTP site has soil conditions that will require deeper pile foundations and additional costs. The trunk sewer also has difficult soil conditions. The detailed geotechnical work undertaken under Phase 3 indicate these conditions are prevalent across the study area. Based on constructability reviews during the Class EA, a risk management and cost management plan has been developed for the project. Construction teams will be provided information regarding existing conditions, hydraulics and connections to allow the teams to determine their preferred methodology and approach to construct the infrastructure and manage costs. The geotechnical conditions represent an increase from 2020 of approximately $20M at the WWTP site and $15M for the trunk sewer.
- The preliminary design of the new WWTP included best practice review, staff review, and project team workshops. The scope of the facility was optimized to

provide long term benefit for operation and maintenance, consideration for green / energy applications while being mindful of project budget. There are also some elements that have been sized to support future expansions. Areas that contributed to the additional costs (represents $15 million increase) include:

  - Optimal sizing for the inlet pumping station, headworks, digestion, and disinfection
  - Waste activated sludge thickening for improved operations
  - Enhanced road network, RV station and hauled sludge facility to support Region-wide activities

- Capital inflation rate of 4% per year dependent on timing of project cash flow/construction has been estimated

The appraised value of the property is within the approved budget allocated for property purchase. The final purchase price of the property has not been finalized or negotiated. It should be noted that the overall wastewater strategy and capital cost estimates continue to be reviewed and refined under the Class EA process. Finalized Class C cost estimates (with +/- 30% level of accuracy) will be provided at the end of the Class EA.

Cost estimates have been reviewed as part of constructability reviews. Final Class C estimates will be reviewed by a certified cost estimator at the completion of the Class EA. Further to this cost estimate, the costs will continue to be refined and estimated with greater accuracy and detail as the projects move through detailed design and prior to tendering for construction. The cost estimates have been developed in accordance with Canadian construction cost estimation standards and industry best practice.

It should also be noted that during the recent year, particularly influenced by conditions related to COVID-19, it has been difficult to provide improved accuracy for the cost estimates as well predict forward looking indices. There has been significant fluctuation in the construction market conditions including material and equipment costs as well as tendered prices received. There is potential that these fluctuations could persist over the next few years that could further impact the program costs.

The incremental project budget increase of $74.55M is to be funded as follows:

- $36.67M external funding
- $37.88M debt

Of the incremental debt, $29.24M will be recovered by Development Charges (DCs) over the term of the debt (30 years). The difference of $8.64M will be funded by the wastewater operating budget and rate requisition. Note that staff is monitoring the affect of debt on its Standard and Poor Ratio (S&P). Impacts on the S&P rating will be assessed by staff with the 2022 Capital Budget at Budget Review Committee of the Whole in October.

As discussed in PW 39-2020, staff are budgeting for 2/3 of the estimated plant costs as externally funded. External funding estimates are in alignment with the funding formula for the new Niagara-on-the-Lake WWTP of 2/3 grant funding from the Provincial and Federal sources. External funding pertaining to the incremental budget increase of plant construction is estimated at $55.01M x 2/3 = $36.67M.

The 2/3 grant estimate excludes land and design costs as expenditures incurred before formal Federal/Provincial approval were historically ineligible costs under prior funding programs (and land costs in itself not typically eligible for funding). The total revised SNF WWTP budget excluding land and design costs (assuming the budget increase is approved with the 2022 budget) is $217M x 2/3 = $145M total external funding budget.

The revised total estimated capital costs of the projects are $399.64M. The revised total amount of debt to fund the SNF projects is approximately $253.01M. Of this debt, $177.45M will be recovered by development charges over the life of the debt (30 years). The difference of $75.56M will be funded by the operating budget and rate requisition.

To fund the incremental capital budget of $74.55M required for the SNF WWTP projects, an additional $0.6M of non growth related debt charges is required to be funded from the operating budget. This will be accommodated by an equivalent reduction to transfer to capital reserves similar to the 2021 strategy. Staff is preparing the 2022 operating budget on the premise of a 5.15% rate increase in accordance with the W/WW financial plan as per CSD 40-2021. The incremental operating budget impacts are outlined below:

Table 1 – Summary of Annual Operating Budget Impact Changes

Description	2022 Financing Strategy	2021 Financing Strategy	Difference
Annual Debt Charge Budget (net of DC recovery)	$15.0 M (10.6) M $4.4M	$12.5 M (8.7) M $3.8M	$0.6M
Transfer to WW Capital	$12.2M	$12.8M	($0.6M) *
Plant Operations	$5.2M	$5.2M	0

* Reduction in transfer to reserves required to offset increase in debt charges

In accordance to the strategy approved in PW 39-2020, the incremental $0.6M of net debt charges will be transferred to the wastewater capital budget to fund replacement of existing infrastructure within each years capital budget until those funds are required for operating purposes. The above increased debt charges/contributions to capital reserve will be accommodated within the 5.15% financial sustainability plan annual increases.

With these revised capital budgets, the estimated impact on wastewater development charges levied to developers as part of the 2022 DC background study are an increase of 46% assuming all else being equal in the 2017 DC background study. For context, the impact of the SNF WWTP projects estimated an increase of approximately 34% based on project costs included in the 2021 capital budget (increase of 12%). The total increase on residential and non-residential DCs are estimated at 11% and 13% respectively assuming all else being equal in the 2017 DC background study and will be subject to change as the 2022 DC background study is developed.

Given the new information and the 2051 planning basis moving forward, the WWTP and associated projects have been re-evaluated. This has resulted in a change in proportion of costs attributed to Benefit to Existing (BTE), DC eligible, and Post Period Benefit/Out of By-Law (OBL). The DC cost proportions will need to be further reviewed as part of the current Niagara Region 2021 Master Servicing Plan Update and finalized at that time using best available information on the cost estimates and planning projections.

Analysis

Project History

As part of Niagara 2041, there was an update to the Water and Wastewater Master Servicing Plan (MSP). Niagara Region retained GM BluePlan Engineering Ltd. (GMBP) to review, evaluate and develop water and wastewater servicing strategies for all servicing within the urban areas of the Region. The MSP Update used updated population and employment growth forecasts based on a 2041 planning horizon. Niagara Region is in the early stages of the current 2021 MSP Update which is looking at potential growth out to 2051. Based on the preliminary stages of the Niagara 2051 planning review, the implementation and timing of the preferred solution continues to be supported and is required to support growth.

In Niagara Falls, there is not enough capacity in the existing sewer system nor at the existing treatment plant to meet the increasing system demands resulting from growth as well as the increased wet weather flows due to aging infrastructure and climate change. The SNF Servicing Solution is essential to unlocking the development potential in the broader South Niagara area.

The ability to redirect existing flows to the south, provide additional capacity in the new trunk sewer, provide flexibility for storage in the trunk sewer, and ultimately treat the wastewater flows at the new WWTP all contribute to a significant wet weather management program. In addition, the location of the new WWTP will provide flexibility for the potential for additional wet weather management through potential connections of other service areas such as Chippawa.

Through the analysis undertaken as part of the Class EA process, it is estimated that the new South Niagara Wastewater Solutions strategy, will result in a reduction of over 60% of wet weather volume overflow to the environment.

Development Opportunities

There are increasing development pressures and a strong interest in the South Niagara Falls area for servicing capacity, which is currently impacted by wet weather constraints. The proposed capital program is anticipated to provide the much needed servicing capacity to unlock the development potential in this area. Some developments include Thorold South/Rolling Meadows, Grand Niagara Secondary Plan, redevelopment of existing golf courses, including Oaklands Golf Club and other potential employment interests. The City of Niagara Falls is working on an overall Secondary Plan Study for the South Niagara Falls area with a servicing strategy to align the anticipated growth and optimize this new investment in infrastructure.

This new WWTP is integral to the overall growth servicing strategy that supports the anticipated residential and employment growth in the Niagara Falls, NOTL, and Thorold South service areas. This total growth is estimated to be over 75,000 people and jobs in the area out to the year 2051 with the new WWTP servicing approximately half of this growth along with the existing residents and businesses in South Niagara Falls and Thorold South. The new WWTP and collection system strategy is also considering potential long term growth beyond 2051. There are also ongoing discussions with the Region and City Planning Departments considering the potential for any settlement urban boundary expansions. As the planning for the new WWTP progresses, development interest in South Niagara Falls continues to increase.

The South Niagara Hospital represents a significant investment of approximately $1 Billion for health care in Niagara which will generate associated growth and development surrounding this area. The development along Fourth Avenue near the new St. Catharines Hospital is an example that demonstrates how a new Hospital is a catalyst for growth. The new WWTP will support this development area and timing of construction is being considered with intention to align in-service dates.

The capital program to support the new WWTP will provide greater flexibility for development servicing in St. Catharines, Niagara Falls, Thorold, and Niagara-on-the-Lake.

Environmental Assessment and Conceptual Design

In November 2018, in response to the recommendations from the MSP Update, the Region retained GMBP via a public, competitive bid process (2018-RFP-34) to complete a Schedule C Environmental Assessment (EA) and an enhanced conceptual design for the entire capital program associated with the new South Niagara Falls WWTP. This includes determination of the preferred site, outfall location and sewer alignments. Appendix 2 outlines the overall study area.

Since award, the team has been working diligently to develop a solution that will support servicing for growth, minimize sewage pumping stations, reduce combined sewer overflows and maximize flexibility for the future. The project team is continuing to conduct extensive consultation with key stakeholder groups, approval agencies, property owners, residents, and Indigenous communities. There have been three (3) public information centres held (May 2019, November 2019 and March 2020). The PICs were held prior to COVID-19 restrictions and were open house format with representation from residents in the study area. The Region invited Councillors and media to dedicated sessions at each of the PICs.

As summarized in PW 39-2020, at the onset of the project, the project team reviewed the study area to determine suitable sites for the new WWTP that were the proper size, close to receiving waterbodies, close to existing and future service areas, and have limited environmental features. There were ten (10) long list site alternatives that were screened from a high level using multiple-bottom line criteria, including environmental, social-cultural, legal-jurisdictional, technical and financial. Four (4) site alternatives were screened for feasibility and were further evaluated using similar multiple-bottom line criteria. A map of the alternatives is available in Appendix 3. The following preferred solution was selected and presented to the public in March 2020:

- New WWTP site located at 6811 and/or 7047 Reixinger Rd.
- Plant outfall location at Chippawa Creek, east of the QEW
- New trunk sewer that will connect existing and future service areas from the existing South Side High Lift Sewage Pumping Station (SPS) to the new WWTP
- New SPS, forcemain and trunk sewer connecting existing and future services areas in South Thorold to the new WWTP
- Decommissioning of existing SPS in the study area that are no longer necessary with the implementation of the gravity sewer.

Throughout the study, the project team has actively been tracking and assessing project related risks. Specifically for due diligence, throughout 2020 and 2021, the project team conducted a comprehensive field study program to help better understand existing conditions and to support the preferred solution. This field study program is above the requirements of the Class EA, but is intended help manage risks and costs early on in the project. These site-specific field studies include archaeology, geotechnical, hydrogeological, natural environment, environmental site assessment (i.e. soil contamination) and cultural heritage. There is some remaining stage 2, as well as marine, archaeological assessment that is expected to be complete by August 2021.

These additional supporting investigations along with more detailed evaluation and engineering led to the refinement of the preferred solution. Supplemental field studies will still be required during detailed design.

The proposed trunk sewer alignment has been confirmed along Montrose Road, on the west side of the QEW. The gravity sewer ranges from 15 to 25m deep, and will connect the South Side High Lift Pumping Station catchment area to the new WWTP, with connections to existing and future growth areas throughout. The project team will formally present this information to the public at the Fall PIC.

The project team completed a comprehensive review and analysis of various layout configurations within the entire preferred site using the multiple bottom line criteria and assessing risks. The new WWTP and outfall pipe is proposed to be constructed solely at 6811 Reixinger Road. Utilization of the full property at 6811 Reixinger Road allows the Region to:

- Provide the maximize buffer from existing and future neighbouring properties
- Ensure available land is secured now for future expansion beyond the planning horizon
- Optimize WWTP layout and process configuration within the preferred site
- Minimize the required archaeological remediation and impact to environmental features.
- Coordinate the property purchase with a single land owner

The Ministry of Environmental Conservation and Parks (MECP) is undertaking amendments to the guidelines related to separation distances between wastewater facilities and sensitive land uses. The amendment includes increasing the minimum separation distance between WWTP similar in size to the new WWTP and sensitive land uses from 150 metres to 500 metres from property line. This is based on 10 years of MECP's documented complaint data for noise, dust and odour.

The project team has considered the applicable guidelines, together with the Region's need to accommodate ultimate build-out and minimize archaeological and environmental impact when developing the land needs for the WWTP site, the plant layout and the configuration within the preferred site.

With these additional risks and field conditions that were discovered and as cost estimates have been refined through the Class EA process, the project team reconfirmed the MSP recommendation of building a new WWTP as well as the proposed associated preferred solution from the EA.

For reference, the MSP had previously evaluated the new WWTP option versus constructing new trunk infrastructure through the existing built area of Niagara Falls and expanding the existing Stanley Ave WWTP (“Go North”). The Go North option would be similarly subject to inflation costs, anticipated poor soils, confined area for construction, additional property acquisition, technical challenges related to twinning Stamford Interceptor through the OPG corridor or surrounding area as well as managing social and environmental issues. The existing Niagara Falls WWTP on Stanley Avenue would require significant structural and process upgrades, management of poor soil conditions, and property acquisition would be challenging given the constraints at each property limit.

Building the new WWTP is still required to support growth, free up capacity in the existing system and at the WWTP, better manage wet weather flows and allow operational flexibility at the existing WWTP. Expanding the existing system through the City would result in significant impact to the businesses, residents, their properties, tourism, major streets and the environment and is anticipated to be subject to similar cost increases. Furthermore, 6811 Reixinger Road is the optimal solution of the short-listed sites when considering all evaluation criteria. The solution best supports growth in South Niagara Falls and Chippawa, has adequate land size to support expansions well into the future will be positioned to minimize impact to sensitive land uses and archaeological and environmental features and is close to receiving water body that MECP supports.

The above-noted review and evaluation supports the recommendation for the South Niagara Falls Wastewater Solution including new WWTP.
It should be noted that the updated servicing strategy outlined above has not yet been presented publicly and is considered draft. Once the final investigations have been completed and the site is confirmed, the project team will provide a full project update, including additional information and evaluation process, to the public and stakeholders. The final Public Information Centre (PIC) is tentatively scheduled for late fall 2021.

The Class EA will fully document the evaluation process as well additional preliminary design details is anticipated to be complete and filed for public review by early 2022.

Property Acquisition

Like with many public infrastructure projects, the acquisition of private property is required to accommodate the construction of the new SNF WWTP. Phase 2 of the Class EA process identified a larger block near Reixinger Road, east of the QEW. From the detailed review during Phase 3 of the Class EA process, it is recommended to locate the WWTP on 6811 Reixinger Road.

Municipally known as 6811 Reixinger Rd, the land comprises an area of 109 acres and is currently held by a single property owner. The land is zoned industrial and the Official Plan identifies it as Resort Commercial. The full 109 acres is required for the ultimate planning for the facility and it is anticipated the full acquisition will benefit the property owner by not severing the block of land and devaluing remaining areas.

Regional staff will be providing the owner with an offer based on an independent opinion of value in the form of a full narrative appraisal report prepared by an AACI-accredited appraiser. In an effort to acquire the property amicably, the owner has been provided a copy of the appraisal report, and staff have offered the owner funds to commission his own independent valuation of the site.

If the offer is not accepted by the property owner, at the appropriate time, Regional staff with external legal counsel will be requesting to initiate formal expropriation proceedings to acquire the property on a compulsory basis in accordance with the Expropriations Act. The Region's external counsel have advised that obtaining possession of the lands through expropriation can take up to 12 to 14 months by virtue of the steps prescribed in the legislation. With that said, they have also undertaken to make every effort to condense this timeframe and have also advised us that negotiations with the owner ought to and can continue in parallel with the expropriation process. The owner has been cooperative to date and understands the need of the wastewater treatment plant. The expropriation process will allow third party adjudication to decide the final purchase price.

In summary with respect to property acquisition, Regional staff will make further efforts to acquire the required lands amicably, but if necessary will proceed with expropriation in the near future to maintain project timelines. The expropriation requirements and Council approval will be provided under separate report at that time.

Project Resources

How We Flow (Master Servicing Plan) (https://www.niagararegion.ca/2041/master-servicing-plan/default.aspx)

SNF WW Solutions Project Webpage (https://www.niagararegion.ca/projects/south-niagara-falls-treatment-plant/default.aspx)

Alternatives Reviewed

The SNF WW Solutions program is being completed as a Schedule C project as part of the Municipal Class Environmental Assessment process. The project team reviewed the study area to determine suitable sites for the new WWTP that were the proper size, close to receiving waterbodies, close to existing and future service areas, and have limited environmental features. There were ten (10) long list site alternatives that were screened from a high level using multiple-bottom line criteria, including environmental, social-cultural, legal-jurisdictional, technical and financial. Four (4) site alternatives were screened for feasibility and were further evaluated using similar multiple-bottom line criteria. The study has included enhanced public and stakeholder consultation.

The information provided within this report aligns with the Class EA process and satisfies the study objectives. Therefore, staff do not recommend the consideration of any further alternatives.

Relationship to Council Strategic Priorities

The SNF WW Solutions capital program achieves several priorities of the 2019-2022 Council Strategic Plan, including the following:

- Supporting Businesses and Economic Growth - The servicing strategy will help support growth by providing new servicing options south of Welland River.
- Healthy and Vibrant Community – Improving wastewater infrastructure in south Niagara Falls supports the Growth Plan for the Greater Golden Horseshoe. This project protects what matters most by improving Niagara’s ability to manage wastewater and help mitigate future impacts of climate change that translates into the effective safeguarding of our Great Lakes and generating healthy sustainable communities.

- Responsible Growth and Infrastructure Planning – Planning for growth enables Niagara to remain open for business, strengthens local employment, and delivers the critical infrastructure that meets the needs of residents and businesses

Other Pertinent Reports

CL-C 24-2017 Waste & Wastewater Services Master Servicing Plan (How We Flow) Project Update – South Niagara Falls Treatment Plant Review

PW 8-2019 – South Niagara Falls Wastewater Treatment Plant – Project Update and Award Notice

PW 39-2020 – South Niagara Falls Wastewater Treatment Plant Update

BRC-C-1-2020 – Councillor Information Requests from October 15, 2020 Budget Review Committee of the Whole

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Public Works Department

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Appendices

Appendix 1	Project Estimates and Funding
Appendix 2	Study Area Overview

Appendix 3 Alternative Wastewater Treatment Plant Sites

PW 39-2021 Appendix 1

Project Estimates and Funding

Approved Budget to Date							
Project	**DC Portion**	**Total Project Cost**	**External Funding**	**DCs**	**DCs Debt**	**Debt**	**Total**
New SNF WWTP (NF) - prior to 2021	65%	$ 4.91	$ -	$ 1.96	$ -	$ 2.95	$ 4.91
New SNF WWTP (NF) - approved in 2021	65%	187.74	108.00		51.84	27.90	187.74
Total SNF WWTP		*192.65*	*108.00*	*1.96*	*51.84*	*30.85*	*192.65*
New South West Trunk Sewer - South Niagara Falls (NF)	70%	85.34	-	-	59.74	25.60	85.34
New South West Trunk Sewer (NF/TH)	85%	9.77	-	-	8.30	1.47	9.77
Black Horse Sewage Pumping Station (SPS) (TH)	85%	4.39	-	-	3.73	0.66	4.39
New SNF WWTP Outfall (NF)	65%	10.63	-	-	6.91	3.72	10.63
Black Horse Forecemain (TH)	85%	12.73	-	-	10.82	1.91	12.73
Peel Street SPS Upgrades and Forcemain (TH)	85%	5.92	-	-	5.03	0.89	5.92
South Side High Lift Pumping Station Decommissioning (NF)	50%	0.63	-	-	0.32	0.32	0.63
Garner, Oakwood, Grassy Brook SPS Decommissioning (NF)	50%	1.14	-	-	0.57	0.57	1.14
McLeod Road Overflow Diversion (NF)	50%	1.89	-	-	0.95	0.95	1.89
Total SNF Projects		**$ 325.10**	**$ 108.00**	**$ 1.96**	**$ 148.20**	**$ 66.94**	**$ 325.10**
					Total Debt	**$ 215.14**	

PW 39-2021 Appendix 1

Project Estimates and Funding

Revised Budget Estimates (per PW-39-2021							
Project	**DC Portion**	**Total Project Cost**	**External Funding**	**DCs**	**DCs (Debt)**	**Debt**	**Total**
New SNF WWTP (NF) - prior to 2021	65%	$ 4.91	$ -	$ 1.96	$ -	$ 2.95	$ 4.91
New SNF WWTP (NF)	59%	242.75	144.67		57.87	40.21	242.75
Total SNF WWTP		*247.66*	*144.67*	*1.96*	*57.87*	*43.16*	*247.66*
New South West Trunk Sewer - South Niagara Falls (NF)	80%	107.82	-	-	86.26	21.56	107.82
New South West Trunk Sewer (NF/TH)	80%	19.61	-	-	15.68	3.93	19.61
Black Horse Sewage Pumping Station (SPS) (TH)	80%	5.91	-	-	4.73	1.18	5.91
New SNF WWTP Outfall (NF)	64%	5.74	-	-	3.67	2.07	5.74
Black Horse Forecemain (TH)	80%	3.32	-	-	2.66	0.66	3.32
Peel Street SPS Upgrades and Forcemain (TH)	80%	5.92	-	-	4.74	1.18	5.92
South Side High Lift Pumping Station Decommissioning (NF)	50%	0.63	-	-	0.32	0.31	0.63
Garner, Oakwood, Grassy Brook SPS Decommissioning (NF)	50%	1.14	-	-	0.57	0.57	1.14
McLeod Road Overflow Diversion (NF)	50%	1.89	-	-	0.95	0.94	1.89
Total SNF Projects		**$ 399.64**	**$ 144.67**	**$ 1.96**	**$ 177.45**	**$ 75.56**	**$ 399.64**
					Total Debt	**$ 253.01**	

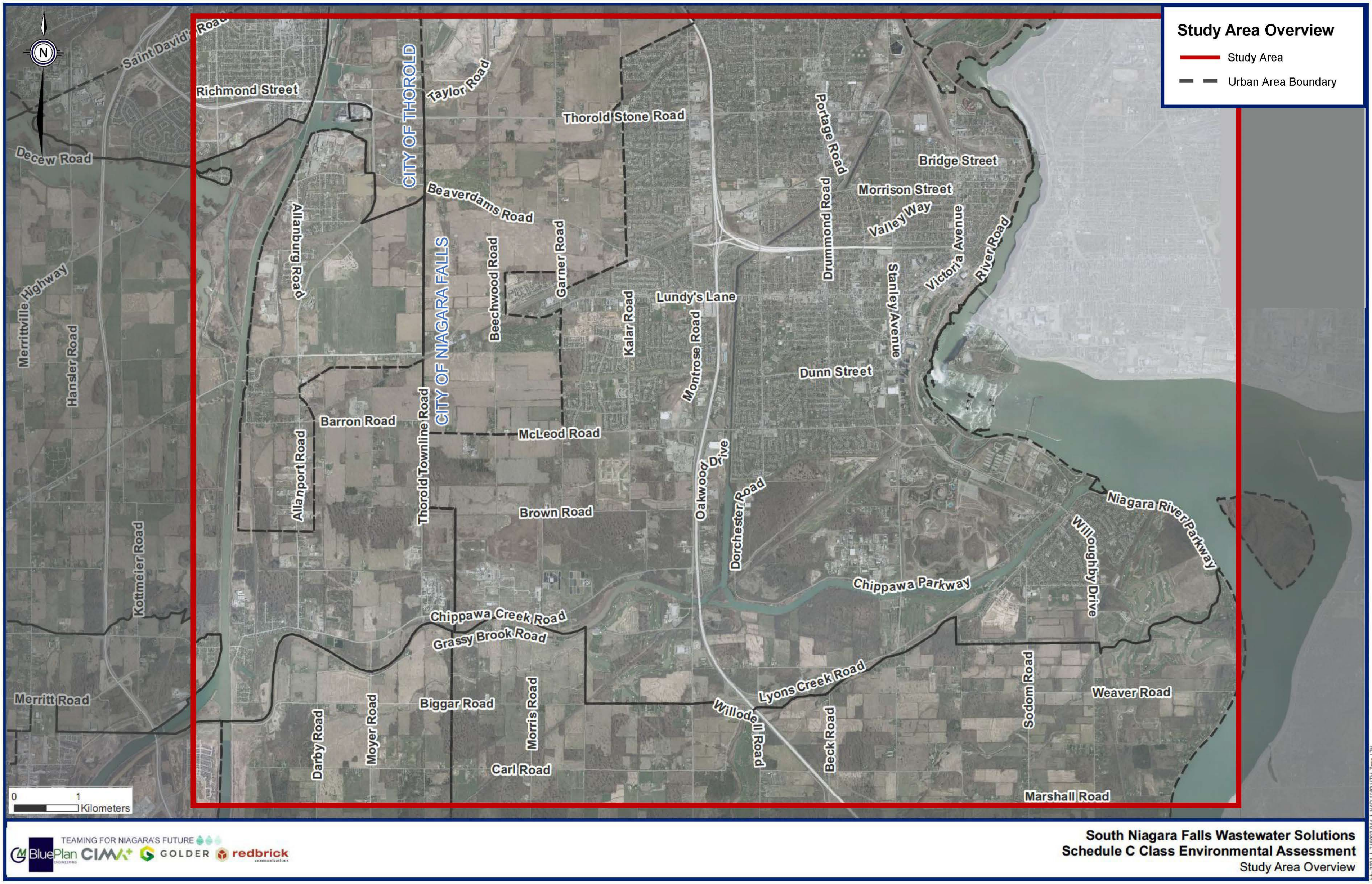
Project Estimates and Funding

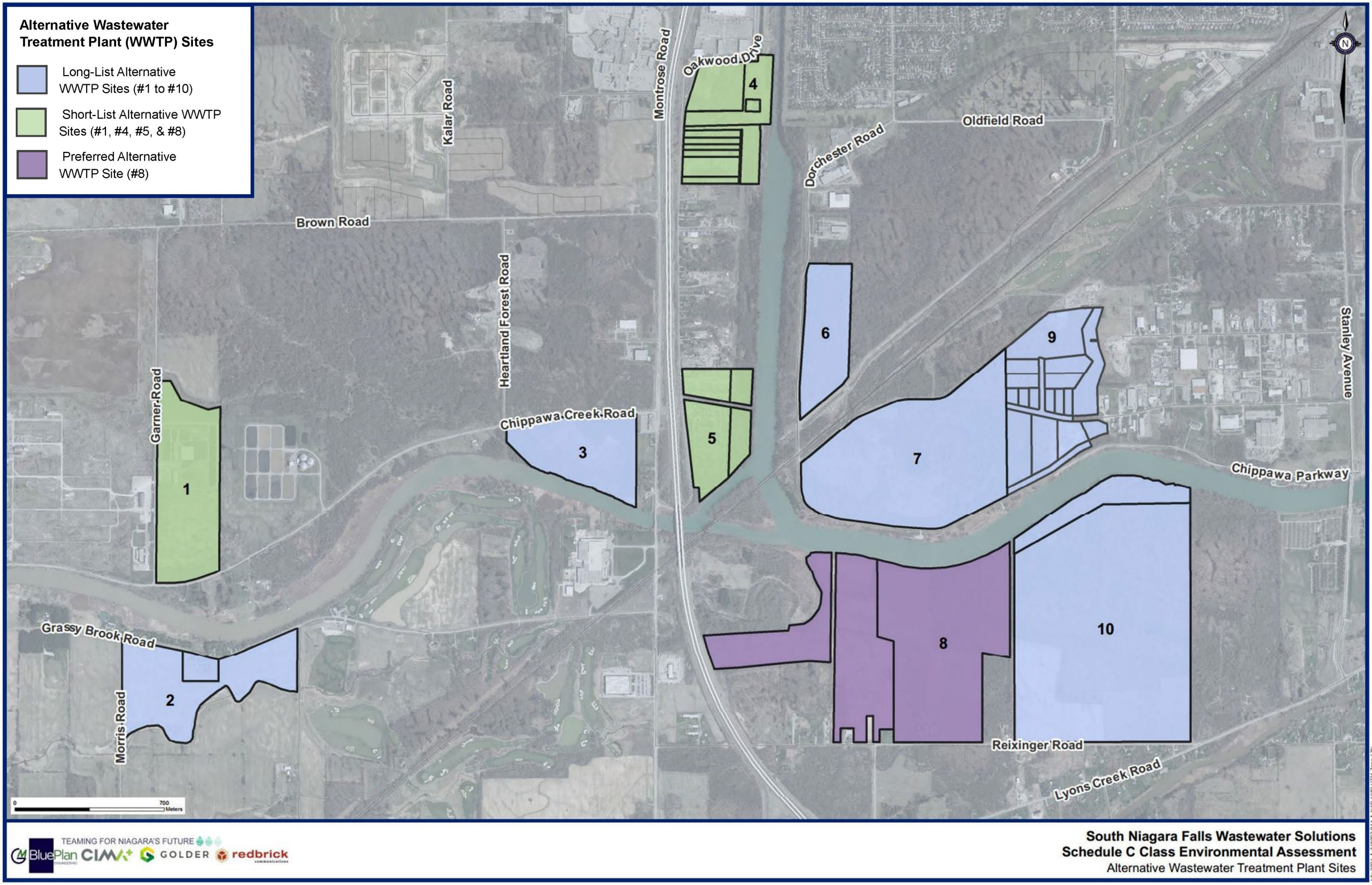
Differences							
Project	**DC Portion**	**Total Project Cost**	**External Funding**	**DCs**	**DCs (Debt)**	**Debt**	**Total**
New SNF WWTP (NF)	-6%	$ 55.01	$ 36.67	$ -	$ 6.03	$ 12.31	$ 55.01
New South West Trunk Sewer - South Niagara Falls (NF)	10%	22.48	-	-	26.52	(4.04)	22.48
New South West Trunk Sewer (NF/TH)	-5%	9.84	-	-	7.38	2.46	9.84
Black Horse Sewage Pumping Station (SPS) (TH)	-5%	1.52	-	-	1.00	0.52	1.52
Project Additions		**88.85**	**36.67**	**-**	**40.93**	**11.25**	**88.85**
New SNF WWTP Outfall (NF)	-1%	(4.89)	-	-	(3.24)	(1.65)	(4.89)
Black Horse Forecemain (TH)	-5%	(9.41)	-	-	(8.16)	(1.25)	(9.41)
Project Reductions		**(14.30)**	**-**	**-**	**(11.40)**	**(2.90)**	**(14.30)**
Peel Street SPS Upgrades and Forcemain (TH)	-5%	(0.00)	-	-	(0.29)	0.29	(0.00)
South Side High Lift Pumping Station Decommissioning (NF)	0%	-	-	-	-	-	-
Garner, Oakwood, Grassy Brook SPS Decommissioning (NF)	0%	-	-	-	-	-	-
McLeod Road Overflow Diversion (NF)	0%	-	-	-	-	-	-
Total SNF Projects		**$ 74.55**	**$ 36.67**	**$ -**	**$ 29.24**	**$ 8.64**	**$ 74.55**
					Total Debt	**$ 37.88**	

Municipality Located:

(NF) - Niagara Falls

(TH) - Thorold


Study Area Overview
Study Area
Urban Area Boundary
N
0
1
Kilometers
CITY OF THOROLD
CITY OF NIAGARA FALLS
Saint David's Road
Richmond Street
Decew Road
Taylor Road
Thorold Stone Road
Beaverdams Road
Portage Road
Bridge Street
Morrison Street
Valley Way
Drummond Road
Victoria Avenue
River Road
Stanley Avenue
Allanburg Road
Beechwood Road
Garner Road
Lundy's Lane
Kalar Road
Montrose Road
Dunn Street
Merrittville Highway
Hansler Road
Barron Road
Allanport Road
Thorold Townline Road
McLeod Road
Oakwood Drive
Dorchester Road
Niagara River Parkway
Brown Road
Willoughby Drive
Kottmeier Road
Chippawa Parkway
Chippawa Creek Road
Grassy Brook Road
Lyons Creek Road
Merritt Road
Biggar Road
Morris Road
Willodell Road
Weaver Road
Sodom Road
Darby Road
Moyer Road
Beck Road
Carl Road
Marshall Road
TEAMING FOR NIAGARA'S FUTURE
GM BluePlan
CIMA+
GOLDER
redbrick
South Niagara Falls Wastewater Solutions
Schedule C Class Environmental Assessment
Study Area Overview


Alternative Wastewater Treatment Plant (WWTP) Sites
Long-List Alternative WWTP Sites (#1 to #10)
Short-List Alternative WWTP Sites (#1, #4, #5, & #8)
Preferred Alternative WWTP Site (#8)
Montrose Road
Oakwood Drive
Kalar Road
Oldfield Road
Dorchester Road
Brown Road
Heartland Forest Road
Garner Road
Chippawa Creek Road
Stanley Avenue
Chippawa Parkway
Grassy Brook Road
Morris Road
Reixinger Road
Lyons Creek Road
1
2
3
4
5
6
7
8
9
10
0
700
Meters
N
TEAMING FOR NIAGARA'S FUTURE
GM BluePlan
CIMA+
GOLDER
redbrick
South Niagara Falls Wastewater Solutions
Schedule C Class Environmental Assessment
Alternative Wastewater Treatment Plant Sites

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August 4, 2021

Regional Chair Jim Bradley
Region of Niagara,
1815 Sir Isaac Brock Way, Campbell West,
P.O. Box 1042, Thorold, Ontario.
L2V 4T7.

Dear Chair Bradley

RE: City of Welland Comments Regarding PDS 31-2021 – Niagara Region Incentives Policy

The City of Welland would like to thank Niagara Region for the opportunity to participate in the Incentive Review. Our various policies, financial incentives and programs in partnership with the Region have created a positive impact on the City and the Region as a whole. This includes brownfield redevelopment, affordable housing, downtown redevelopment, and employment growth.

We request that Niagara Region Council maintain the existing Grants and Incentives Programs as detailed in this letter. The City has no objection to the Region adding additional financial incentives to create more affordable housing. We have and continue to work with public and private

City Staff have reviewed the Niagara Region's presentation on June 24, 2021 to Municipal Staff and Information Session for Regional Council on July 22, 2021 and Report PDS 31-2021. The City's comments are as follows regarding what Regional Staff are proposing:

1. Affordable Housing

City Staff agree that there is a need for more affordable housing units. The root cause of this situation is complex and multi-faceted. The need for this has been an ongoing issue for at least 20 years. There has been limited investment both by Federal and Provincial Governments and the private sector in rental housing or affordable housing for a range of reasons including, zoning and planning rules which prohibit investment. The City's current CIP areas and programs have, and will continue to offer incentives for housing, including affordable housing. For example, the City provides funding for the creation of additional apartment units, but without the affordable requirement, recognizing that the current vacancy rate is very low in the City and this will encourage the creation of additional rental units. Additionally, the City approved a New Zoning By-law in October, 2017 which creates a more favourable regulatory environment for small scale to large scale rental housing.

City Staff fully support the creation of more affordable housing units through more incentive programs, but at this point it is unclear as to how the Region will implement some of the requirements, such as ensuring that the units are affordable and maintained. The implementation piece of these programs has not been identified.

2. Employment
The current alignment of Employment Attraction Policies between the City and Region has attracted over $361 million in private sector investment on employment lands, over 1.4 million square feet of industrial buildings, and over 400 jobs retained/created. Current approved applications will generate over $4 million in new taxes for the City and over $4.6 million for the Region when factoring in the Tax Increment Grants (TIG grants). The net taxes for the City and Region will significantly increase as individual TIGs are completed.

Regional Staff indicate the goals of the Employment focus area are as follows:

- Incentivize an average of 100 full time jobs per year in the next five years;
- Attract five new businesses in the next five years;
- Expand the range of employment TIGs while maintaining unique status of Gateway CIP

Regional Staff are planning to attain the above goals by proposing to create, retain and modify the following programs under this focus area. The major highlights are as follows:

Program	**Status**
Gateway CIP Tax Increment Grant	Remains the same
Gateway CIP Regional DC Grant	Remains the same
Niagara Business Attraction Tax Increment Grant	New
Regional Employment Grant	Reduced from a 100% reduction to sliding scale based on number of employees
50% Industrial Expansion Grant	Proposed. However, is an existing requirement under the Development Charges Act.

City Staff have reviewed the proposed additions and changes. Staff have no objection to the additional of the Niagara Business Attraction TIG, however, it is unclear if this program would be available in Welland. The reduction in the grant for the Regional Employment DC-Base Grant from a 100% to a sliding scale based on the amount of employees is not supported by Staff and will impact economic development goals of the City. Small Businesses are the future of the City and the Region and these businesses will now be required to pay regional development charges.

City Staff also note that the goals of this focus area are concerning as they are very limited. For example, attracting 5 new businesses across the Region over five-years seems very low for a growing Region. However, when factoring in the reduction in certain programs this may be a plausible outcome. It should also be noted that affordable housing and jobs are invariably linked. If we cannot attract a growing job base it will continue to create affordable housing problems.

3. Brownfield
Under the current City and Regional policies for Brownfield redevelopment, the City will have produced over $59 million in private sector investment, over $2.6 million in City taxes, over $2.8 million in Regional taxes. The additional benefits of Brownfield Redevelopment include improvements to the natural environment and human health by facilitating the remediation of contaminated sites.

The goals of the Brownfield focus area identified by the Region are as follows:

- Generate an average increase of 10 times the original assessment value on brownfield properties
- Approve two Tier 1 BTIGs in the next five years
- Provide funding for remediation of at least 200 acres in the next five years

The Region indicates they are focusing on Brownfield Remediation, however it is City Staff's opinion that this is not the case as they are proposing to further reduce the incentives available for brownfield remediation. Major changes proposed include:

- A reduction of the 50% rebate of the applicable Development Charge to a 100% Regional Development Charge (DC) deferral until occupancy permit is issue or five years.
- Elimination of the Brownfield Study Grant which provides funding for the Phase 2 Environmental Site Assessment allowing applicants to identify areas of contamination and determine clean-up costs; helping to reduce the risk of investing in Brownfields.
- Elimination of the Brownfield Tax Assistance Program which provides a freeze of the property taxes on a property that is undergoing or has undergone remediation and redevelopment to assist with payment of the cost of environmental remediation.
- Modifying the TIG programs to be tied to a minimum clean up amount and a reduction of the incentive currently offered.
- Modifying the TIG programs to be tied in with the creation of Affordable Housing.

City Staff question how the Region is focusing on Brownfields when in actual fact they are defocusing. The Brownfield remediation programs all now seem to be tied in some way to the number of affordable housing units created. Although incentivizing affordable housing is supported by the City, it's not the objective of the Brownfield Incentives Programs, in Staff's opinion. The goal of these programs is to have brownfield sites within the urban area remediated and redeveloped. It seems that tying it to the creation of affordable housing units creates another layer of red tape that is unnecessary, and may not be achievable. Furthermore, tying the TIG to a minimum clean up amount may leave some smaller sites to languish because they're not eligible for the TIG program with the Region.

As mentioned, the DC Exemption program has been proposed to change to a DC Deferral program. Brownfield lands are typically within areas that are developed with existing services and will not require the extension or expansion of services. The DCs may also be another barrier to realizing the clean-up of these sites, depending on the scale and costs of clean-up required. It's unclear as to why this program change is being proposed, and the City is not in support. Brownfield redevelopment is costly and has significant risks for investors. This will only make these site less desirable and less likely to be developed for affordable housing.

4. Public Realm
Regional Staff indicate their goals on programs for the Public Realm is as follows:

- Improve public realm including road, bike paths, sidewalk, trails and accessibility amenities in an average of six projects annually;
- Plant approximately 500 trees through Public Realm Investment Program (PRIP) in the next five years; and,
- Achieve at least 10 of the following in the next five years: public plaza enhancements, place making and public art installations, gateway features.

Regional Staff are proposing to continue the Public Realm Investment Program. City Staff have no objection to continuing this program, however, the funding allocations proposed are very low compared to actual cost of public realm improvements.

Programs Proposed to be Eliminated

Smarter Niagara Incentive Program (SNIP)
The Region is proposing to eliminate the Smarter Niagara Incentive Program (SNIP): façade and building improvement, heritage restoration, planning grant. These programs in partnership with Region form the City's Downtown CIP and have and continued to help enhance the City's Downtown and Health and Wellness Areas. Promoting investment in downtowns and intensification areas is critical for sustainable development and smart growth. The City's Downtown CIP will have generated over $34 million in private sector investment, and over $600,000 in taxes over a 10 year period for the City and over $500,000 for the Region. This is in addition to the other numerous benefits that result from these investments. The net taxes for the City and Region will significantly increase as individual TIG's are completed.

As mentioned, the City supports the concept of trying to promote more affordable/rental housing but this should not occur at the cost of promoting Smart Growth and sustainable development in our communities. This is not to say that the current Programs are not achieving this, but there may be an opportunity to do more here. The SNIP program is one of the most popular incentive programs that the City provides as it allows small businesses to make improvements to their buildings that would otherwise have been outside of their financial abilities. Small businesses have had an incredibly difficult time these past 18 months, and it does not seem like now is the time to be taking away any financial incentives that would help them improve their buildings or facades. Further to this, the Region's new draft Official Plan policies are encouraging regrowth and development of downtowns, it is incongruous to remove the SNIP funding while encouraging a high level of urban design and upgrades in downtown areas. There needs to be incentive for the Region's policy initiatives to be realized.

Other Programs
The below table lists other programs that the Region is proposing to discontinue as a result of their incentives review.

Program	City Staff Comments
Brownfield Tax Assistant Program	As mentioned above, the program provided a tax freeze during the remediation period. Elimination of this program increases the financial risk associated with Brownfield redevelopment. This will make it more

	costly to redevelop brownfields, whether it be for affordable housing or not.
Niagara Investment in Culture Program	As the population of the City and Regions grows and diversifies the need for cultural investment will increase.
Waterfront Investment Program	As the Region and the City grows there is an increasing need for investment in waterfront access and enhancement. For example, there are ongoing issues in Waterfront Municipalities regarding waterfront access.
Heritage Tax Rebate Program	Heritage preservation is a component of good planning. Private landowners should be supported by municipalities to effectively maintain heritage properties.
Smart Growth Regional DC program	This program has helped the City to achieve and exceed Regional and Provincial intensification requirements and promote sustainable growth within the City. Elimination of this program will lead to increased urban sprawl in the Region and a reduction in intensification.

SUMMARY AND CONCLUSION:

Staff have reviewed the Region's presentations and Staff Report regarding their review of its various Incentives and Grants and proposed recommendations to create, retain, modify and remove them. Staff support the direction to develop incentives programs under the categories:

- Affordable Housing;
- Brownfield Remediation;
- Employment; and
- Public realm.

However, we are of the opinion that the current incentives and grants are working very well. The City has experienced significant redevelopment and investment as a result of the implementation of the various Community Improvement Plans (CIP) and Development Charge Incentives in place. They are helping the City transition to a more socially, environmentally and economic sustainable community in line with the Principles of Smart Growth. Staff note that these Incentives and Grants offered by both the City and Region are part of the toolbox of planning tools we have available to create sustainable planning outcomes. We do not want to see an abandonment of these tools as we need to retain a multi-pronged approach to planning our communities.

Staff support the concept of trying to promote more affordable/rental housing but the Region's approach seems to be doing this at the expense of the Brownfield, SNIP incentives, and various other programs. Rather than eliminate programs, this may be an opportunity to do more. In addition to the benefits associated with affordable/rental housing, the SNIP is one of the most popular incentive programs that the City provides as it allows small businesses to make improvements to their buildings that would otherwise have been outside of their financial abilities. Given the extreme adversities small businesses have faced due to the pandemic, it does not seem like now is the time to be taking away any financial incentives that would help them improve their buildings or facades. Lastly, City Staff question how the Region is focusing on Brownfields and Employment when in actual fact they are defocusing by reducing support and veering away from program objectives for these two priority areas.

Yours truly

Steve Zorbas
CAO