
MEMORANDUM

CL-C 35-2019

Subject: Parameters of Regional Matching Funding for Smarter Niagara Incentive Program Tax Increment Grants

Date: April 25, 2019

To: Regional Council

From: Rino Mostacci, MCIP, RPP, Commissioner

The purpose of this memo is to provide Council with information regarding the parameters of Regional matching funding for Smarter Niagara Incentive Program (SNIP) Property Rehabilitation and Redevelopment Tax Increment Funding Grant (Tax Increment Grant).

SNIP is a suite of nine Regional incentive programs providing matching funding for eligible local projects approved through Local Municipal Community Improvement Plan programs. SNIP incentives are generally divided into two groups:

- “Simple Grants,” funded through an annual line item in the Levy budget (\$600,000 in 2019) and are requested and approved through a quarterly first come/first served basis. (e.g., Building and Façade Improvement Grant)
- “Tax-Related Grants” often larger financial commitments of longer duration than simple grants. They are funded differently than the simple grants, through an annual deduction from assessment growth prior to the Regional Levy Budget process. (e.g., Non Gateway TIG’s)

Eleven of the twelve LAMs have CIP programs, offering a range of incentive types and the Region matches over fifty of these programs by way of either Simple or TIG grants through SNIP. There is funding in the 2019 budget for all invoices for Local TIG s approved prior to the initiation of the incentive review.

In 2002 by way of CAO 8-2002, Regional Council approved the first of the core SNIP incentives, including tax increment grants, with the stated purpose of promoting:

- Downtown Redevelopment
- Brownfield Redevelopment
- Heritage Restoration/Preservation
- Residential Intensification/Affordable Housing

Over the years there have been revisions and additions to the SNIP suite of programs, with the most recent comprehensive review coming in 2011 (ICP 97-2011, Appendix 1).

There was one substantive change in the 2011 review to the SNIP Tax Increment Grant program, which was to increase the Regional percentage for Brownfield Tax Increment Grants to a minimum of 75%. Otherwise there are few parameters for the Regional SNIP Tax Increment Grant program, which essentially matches the eligible Local Municipal program contained in the Local Community Improvement Plan as follows:

F-2 Property Rehabilitation and Redevelopment Tax Increment Funding Program

*The Property Rehabilitation and Redevelopment Tax Increment Funding Program is administered by the Local Municipalities. The general administration of this program is outlined in **Figure F-2** below. This program will continue to be administered by the Local Municipalities as shown in Figure F-2, with the following recommended program revisions:*

- a) The Region will continue to match the percentage and duration of any local property rehabilitation and redevelopment tax increment grant paid by the local municipality, but if the project is a brownfield redevelopment project, affordable housing project, or it conforms to the Region's Smart Growth design criteria, it will receive a minimum 75% Regional Property Rehabilitation and Redevelopment Tax Increment Grant;*
- b) Local Municipal staff will notify Regional staff of the annual amount of the Regional tax increment grant and obtain Regional staff concurrence on the amount;*
- c) When the Local Municipality collects the annual property taxes, the Local Municipality will retain the Regional tax increment grant amount and provide a single payment to the successful applicant of the Local/Regional tax increment grant; and,*
- d) The Local Municipality will forward the balance of the Regional property taxes collected on that property to the Region as normal.*

(p. 77 of 2011 Review)

Currently when a LAM requests Regional matching funding for a SNIP Tax Increment Grant, it submits a "SNIP TIG Regional Funding Approval Request Form", a copy of the Local Municipal report approving the project, and a copy of the executed agreement for the project. Regional staff then review these documents and calculate the estimated Regional grant amount and payment schedule. If it is conforming, Regional funding is

approved by staff through delegated authority. Non-conforming project requests go before Regional Council for consideration.

A review of many Regional incentives including the SNIP suite is underway and a report on the financial implications of SNIP TIG and other Regional incentives is anticipated come before Planning and Economic Development Committee on May 8, 2019. A presentation on Regional incentives is planned for the Committee of the Whole meeting on June 6, 2019, with further reports on Regional incentives and the ongoing review.

Respectfully submitted and signed by

Rino Mostacci, MCIP, RPP
Commissioner, Planning and Development Services

Appendix 1 ICP 97-2011 Review and Update of the Smarter Niagara Incentive Programs