
Subject: Regional Funding for a Brownfield Tax Assistance Program Grant in the City of Port Colborne

Report to: Planning and Economic Development Committee

Report date: Wednesday, September 13, 2023

Recommendations

1. That Regional participation in a Brownfield Tax Assistance Program grant for 118 West Street in the City of Port Colborne, **BE APPROVED**; and
2. That Report PDS 32-2023 **BE CIRCULATED** to the City of Port Colborne.

Key Facts

- This report provides information on a request from the City of Port Colborne for the Region to participate in matching funding under the Smarter Niagara Incentive Program (SNIP) Brownfield Tax Assistance Program (BTAP).
- BTAP grants encourage remediation of brownfield sites by either freezing or cancelling property taxes on a property that is undergoing redevelopment, to assist with the cost of environmental remediation.
- Unlike most Regional matching incentive programs which can be approved through delegated staff authority, the Municipal Act (365.1) requires a resolution by an upper tier municipality to participate in matching funding for a BTAP grant.
- The BTAP grant request for a freeze on the Regional portion of taxes up to eligible costs over a three-year period for 118 West Street is \$2,724.58.
- Regional participation in the BTAP incentive expires October 1, 2023 per PDS 3-2022.

Financial Considerations

Regional BTAP grants, like Regional tax increment grants, are funded with budget established through allocation of assessment growth revenue. Annual budget requirements vary depending on the approved projects and timing of development. The 2023 combined budget for SNIP BTAPs and tax increment grants is \$890,226.

There is no cap on the amount of a SNIP BTAP grant or tax increment grant funding the Region may approve.

Analysis

BTAP grants encourage remediation of brownfield sites by providing a freeze or cancellation of the property taxes on a property that is undergoing remediation and redevelopment, to assist with the cost of environmental remediation. The grant is provided for a time period specified in a municipality's program and the project agreement between the municipality and the applicant.

2118 West Street, Port Colborne

The BTAP request for 118 West Street (Appendix 1) is estimated at \$2,724.58 for a freeze on the Regional portion of municipal taxes on the property up to eligible costs up to a maximum of three years. The City's portion of this BTAP grant is \$5,826.78.

The creation of a nine storey mixed use building with main floor commercial and 72 condo units is underway on this property. It will not include affordable housing. The property owner has also requested a Smart Growth Regional Development Charge (RDC) Reduction grant of up to 50% of eligible RDCs paid, estimated to be a maximum of \$377, 275 in Regional funding. The City of Port Colborne is also expected to request Regional matching funding for a SNIP Property Rehabilitation and Redevelopment Tax Increment Grant (SNIP TIG) on this property. While updated figures have not yet been provided, the most recent estimate for the Regional portion of a SNIP TIG was approximately \$1.07M in matching funding at a grant rate of 80% over 10 years. Total amount of incentives received for the project will not exceed eligible costs.

Regional Participation in the BTAP

BTAP grants must be approved through a by-law at the local municipal level, and any matching participation by the Region must be approved through a resolution of Council. The City of Port Colborne has approved the required by-law (By-law 6908/56/21) for the BTAP grant that is the subject of this report.

Regional Council has approved all BTAP matching funding requests to date.

Through PDS 31-2021 Regional Council extended SNIP incentives, with expiration dates for its programs established or reaffirmed through PDS 3-2022. The SNIP BTAP expires on October 1, 2023. Local municipalities have until that date to submit complete

applications to the Region for consideration. After that date, eligible costs under the current BTAP may be considered eligible costs under regionally approved brownfield tax increment grants.

Regional Council targeted and confirmed its commitment to brownfield remediation when it was identified as a key priority area for incentives through the Regional Incentive Review. The new Niagara Region Incentives Policy includes brownfield incentives that remain robust while becoming more sustainable and accountable.

Alternatives Reviewed

This report recommends Council approve Regional participation in the BTAP grant for the project above. The Region has consistently approved matching BTAP grants when requested in the past to support rehabilitation of contaminated sites.

Council could elect not to approve matching Regional funding for this BTAP request, but that reversal of historical practice is not recommended.

Relationship to Council Strategic Priorities

The information in this report supports the priority of a Green and Resilient Region through its support of remediating contaminated sites, and the priority of an Equitable Region through its support of growth and development.

Other Pertinent Reports

PDS 3-2022	Regional Transitional Incentive Timelines
PDS 31-2021	Niagara Region Incentives Review
CSD 58-2019	Non-conforming Smarter Niagara Incentive Program Requests

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Appendices

Appendix 1 Site in Port Colborne Requesting Regional BTAP Funding

Appendix 1: Site in Port Colborne Requesting BTAP Funding -- 118 West Street

