

Financial Implications of Niagara Region Incentives

Planning and Economic Development
Committee

May 8, 2019

Purpose

- 1) To address issues arising from the April 25 motion at Council and CL-C 35-2019 regarding the financial and other implications of expanding incentive eligibility in Community Improvement Plan areas.
- 2) To provide an overview of existing Regional incentive programs.
- 3) To provide an overview and next steps of the ongoing Regional incentive review.

Context

- Regional incentives date back to 2002, and have expanded significantly since that time.
- Nineteen programs administered by Planning, Finance, and Economic Development are currently under review.
- Most programs provide matching funding primarily to Local Municipalities.
- They vary in size, cost, duration, purpose, funding source, program parameters, and delivery, and in the nature program ownership/terms of partnership.

Regional Grant Programs Under Review

Smarter Niagara Incentive Program (SNIP) Waterfront Investment Program

- Environmental Assessment Study Grant
- Building and Façade Improvement Grant/Loan
- Residential Grant/Loan
- Heritage Restoration and Improvement Grant/Loan
- Agricultural Buildings and Facilities Revitalization Grant/Loan
- Agricultural Feasibility Study Grant
- Community Improvement Plans (CIPs)/Planning Studies Grant
- Affordable Housing Grant/ Loan Program
- Property Rehabilitation and Redevelopment Tax Increment Grant/Loan
- Brownfield Tax Assistance Program
 - Development Charge Reduction Grant

Public Realm Investment Program

Niagara Investment in Culture Program

Gateway Economic Zone and Centre

- Gateway CIP Tax Increment Based Grant
- Gateway CIP Regional DC Reduction Grant

Industrial Development Charge Grant

Non-Profit Regional Development Charge Grant

Heritage Tax Rebate Program

Types of Grants and Incentives

Simple Grants

- short terms projects, budgeted amount from annual Levy, no rollover, reserve budget low

Tax-related Grants

- long term projects, funded through assessment growth, calculated and removed from amount available for Levy budget annually, frequent changes in \$ amount and timing

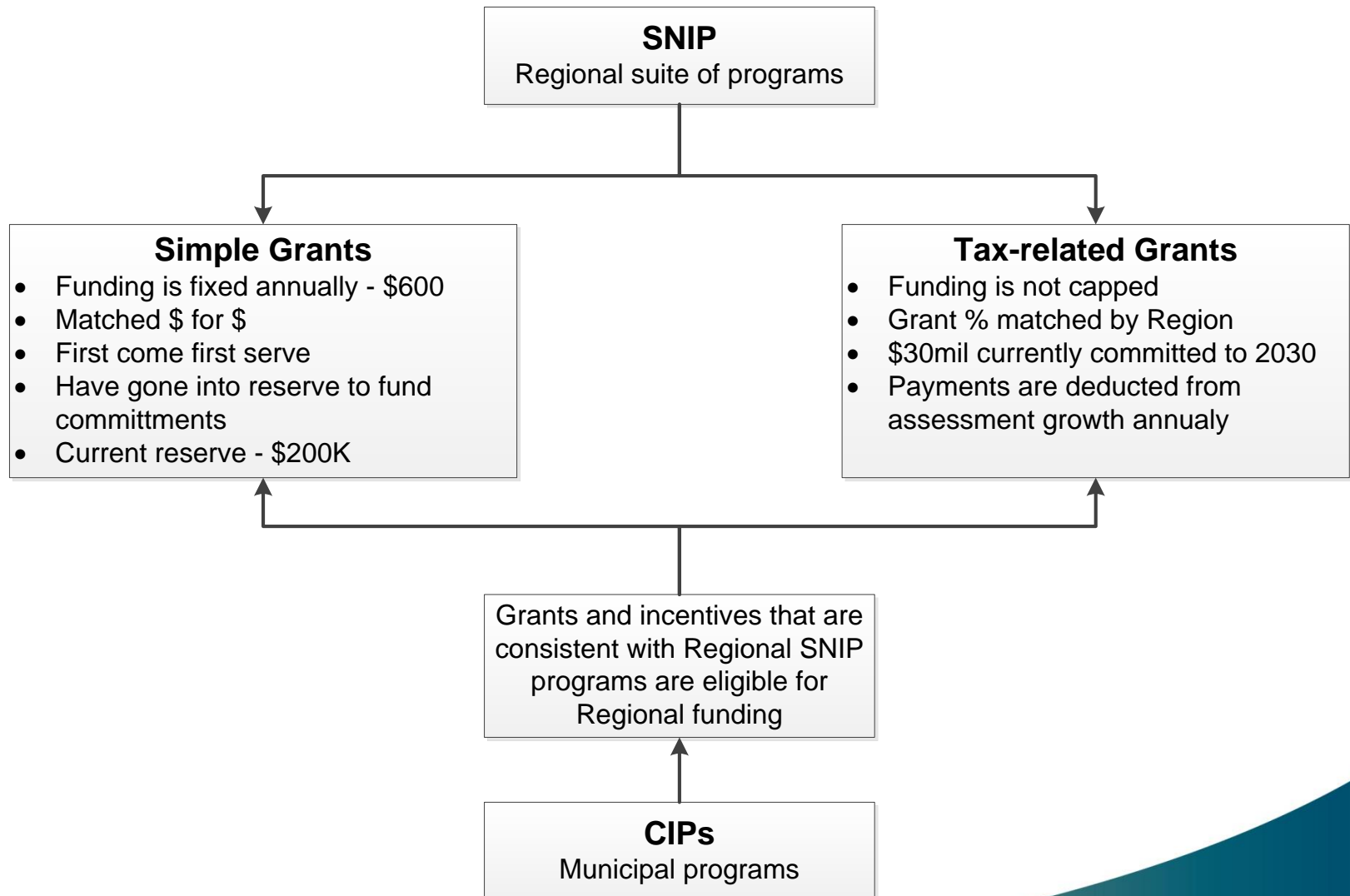
Development Charge Grants

- Long term projects, budgeted annually, all DC exemptions must be returned to DC reserves from operating revenue

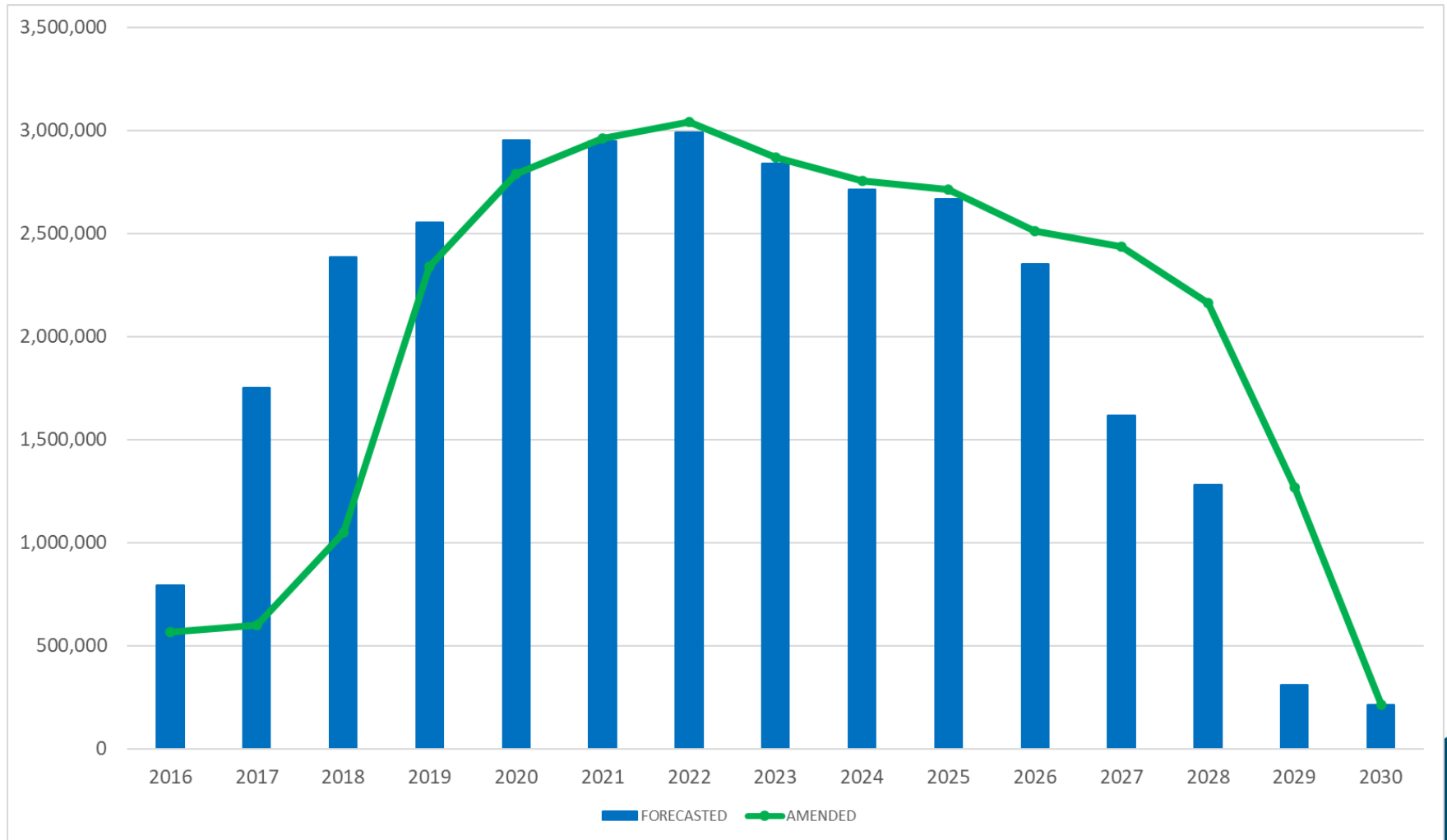
Single Purpose Grants

- short/medium term projects, budgeted amount from annual Levy, no rollover

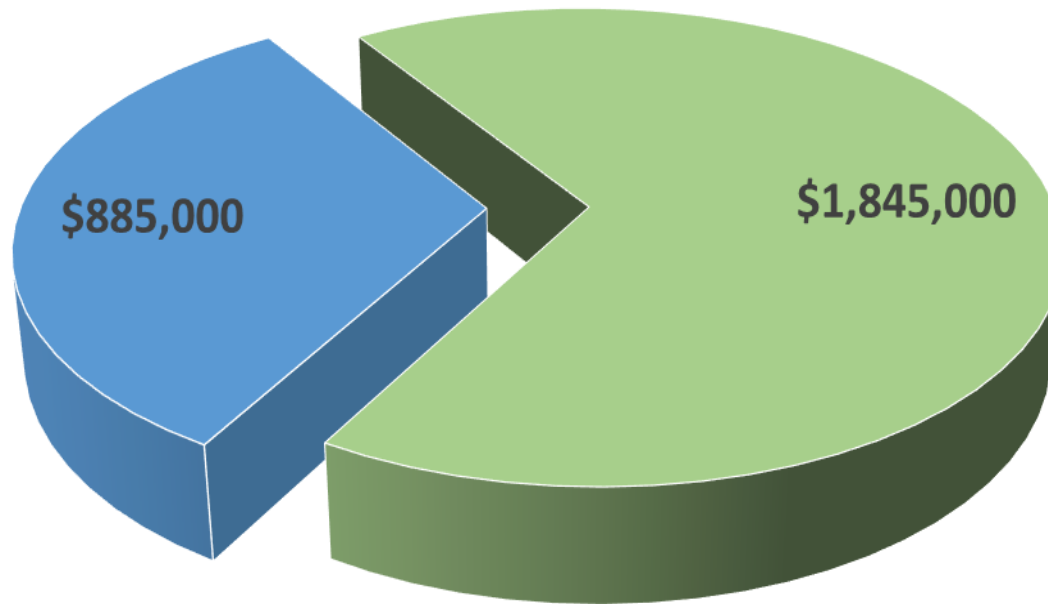
SNIP/CIP Relationship



SNIP Tax Increment Grant Commitments



2018 SNIP Encumbrances



■ Smarter Niagara Incentive Program - Tax Increment Grant ■ Smarter Niagara Incentive Program - Simple Grants

Regional Grants and Incentive Review

Context

- Unclear/outdated program parameters → need for clarity, consistency, focus
- Expanded partners/programs/requests → budget pressures
- Changing economic/development climates → new challenges, priorities

Objectives

- Grants and incentive programs are clear, accountable, and efficient
- Align with Regional priorities
- Are fiscally responsible
- Target projects of appropriate scale, return on investment

Incentive Review Overview

Preparation Phase (Q3-4 2017)

- Council endorsement and direction

Phase 1 (Q 1-2 2018)

- Research, data collection, LAM engagement, SWOT analysis
- ICOP Audit reports on program/process and value for money

Phase 2 (Q 3-4 2018)

- Inter-departmental Working Group research, development of program target areas and potential delivery options

Phase 3 (Q 2-3 2019)

- Committee/Council presentation, stakeholder information sessions, Council approval of target areas, development and Council approval of specific programs, consideration of provincial governance review findings

Transition & Implementation (Q 4 2019)

- Subject to Council direction and consultation with Local Area Municipalities