



May 29, 2024

Julianna Vanderlinde
Program Manager, Grants and Incentives
Growth Strategy and Economic Development
Niagara Region
1815 Sir Isaac Brock Way, P.O. Box 1042
Thorold, ON L2V 4T7

VIA EMAIL

Dear Ms. Vanderlinde:

**RE: Revitalization Grant, Historic Drummondville CIP Incentive Program
DRU-2009-001, 5698 Main Street (Wellness Suites)
Applicant: 753049 Ontario Ltd. (Nick Vacarro)**

On August 10, 2009, Niagara Falls City Council originally approved a request for a Revitalization Grant and Residential Loan under the Historic Drummondville Community Improvement Plan for 5698 Main Street known as the Wellness Suites. Since that time the following has occurred:

- In 2016 the Owner requested an extension to these agreements which was granted by Council.
- In 2020, the Owner notified the City that they would no longer be pursuing the Residential Loan portion of the application and that Agreement was removed from title. The Revitalization Grant Agreement was extended and amended to impose timelines for the commencement and completion of construction of the project as well as to reflect the condominium ownership of units within the building.
- In 2021, the Owner requested an additional extension which was granted by City Council, as the 102-unit retirement home was completed but the rooftop patio and back terrace remained outstanding due to construction delays.

The project is now complete, and invoices have been submitted. However, taxes have been in arrears for this property since approximately December 2021, when the 2021 supplemental tax bill was issued following the City's receipt of the revised assessment value from MPAC. As the condominium units now have occupancy, many of the outstanding tax arrears have transferred to the new condominium owners.

In accordance with Section 4.2 of the Historic Drummondville Revitalization Grant Agreement dated August 11, 2009, between the City and 753049 Ontario Ltd., as amended by Agreements dated June 14, 2016, and November 16, 2021 (attached), the City has the option to terminate grant payments as property taxes have been owing for more than one full year.

Section 7.8 of the Agreement permits the City to have discretion related to all or a portion of grant payments where the City deems that there is non-compliance by the Owner with this Agreement.

Accordingly, the City has decided to uphold our original commitment to the intent of the Revitalization Grant as the construction of the 102-unit retirement home has improved the Main/Ferry Street area and rather than proceed with annual grant payments, is proposing to use the allocated grant budget to cover the outstanding tax arrears on the property to the end of 2024 in a one-time grant payment. The calculated grant amount based on the increased property reassessment and outstanding property taxes can be seen in the table below.

5698 MAIN STREET	City	Region	Total
Eligible Grant Amount*	\$923,663.43	\$1,061,881.47	\$1,985,544.90
<i>*Based on Assessment Increase, post development</i>			
Outstanding Property Taxes (2021-2024)	\$424,279.35	\$276,621.79	\$700,901.14

A copy of the financial calculations are attached.

This option results in the applicant receiving less than the original grant amount identified in the Agreement. The City has received support from the Owner in proceeding with this grant payment option.

The Region has expressed a continued commitment to this project with a committed contribution to the original application as well as the most recent amendment in 2021. As such, the City of Niagara Falls respectfully requests that the Niagara Region consider contributing the Regional portion of outstanding property taxes to the end of 2024 in a one-time grant payment as an alternative to annual tax increment grant payments for this application. Please contact the undersigned if you have any questions or would like to discuss further.

Respectfully,

Danielle Foley
Senior Planner, Long Range Planning Initiatives

- cc Todd Harrison, Commissioner Corporate Services, Niagara Region
- Jason Burgess, Chief Administrative Officer
- Serge Felicetti, Director of Business Development
- Kira Dolch, General Manager of Planning, Building and Development
- Signe Hansen, Director of Planning
- Nidhi Punyarthi, City Solicitor and Director of Legal Services
- Bonnie Critelli, Office and Law Clerks Supervisor of Legal Services
- Tiffany Clark, Director of Finance
- Amber Ferguson, Senior Manager of Revenue