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**Subject:** Non-conforming Smarter Niagara Incentive Program Requests

**Report to:** Corporate Services Committee

**Report date:** Wednesday, August 7, 2019

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## **Recommendations**

That this report **BE RECEIVED** for information; and

That a copy of this report **BE CIRCULATED** to the City of St. Catharines.

## **Key Facts**

- The purpose of this report is to inform Council of requests from the City of St. Catharines (City) for the Region to provide new and amended tax incentive funding for two properties located at 51 Lake Street and 136 James Street.
- Niagara Region partners with local municipalities to provide matching funding for eligible grants through a variety of programs, in this case through a suite of incentives included in the Region's Smarter Niagara Incentive Program. Local municipalities are eligible to apply for Regional matching funding for grants for locally approved projects in this incentive suite. Regional funding is based on eligibility, conformity to program parameters and is subject to budgetary approval.
- In 2014 the City, which had sold these properties to a private developer, approved tax increment grants (TIGs), residential grants, and municipal application/permit fee grants for these properties. The Region allocated matching funding through the two eligible programs (TIGs and residential grants) for each property, and provided in addition Regional development charge reduction grants for each of them.
- When contamination was subsequently discovered on these properties, the City retroactively designated these properties brownfields in 2016 and approved them for the higher brownfield TIG incentive rate. The City also approved new Brownfield Tax Assistance Program (BTAP) grants for each property under its 2015 Community Improvement Plan (CIP), for which it also has requested Regional matching funding.
- The intent of TIGs and BTAP grants is to provide incentives to remediate and develop sites that may not otherwise be rehabilitated. The City's requests to change the previously approved TIG amounts and add BTAP grants for the properties were made after remediation and construction had been completed on these projects.
- The Region has committed a total of \$1,302,497 for incentives for the two properties. The City is requesting an additional \$421,527 in Regional funding, which is not budgeted. Once the Region approves funding for these incentives they are

budgeted through assessment growth and there is no precedent for changing them. Details of approved funding and revised requests are provided in Appendix 3.

- Regional participation in these incentives is discretionary; there is no liability to the Region if it does not participate in any revised incentive funding requests.
- Regional Staff can not approve the request as it is retroactive and falls outside staff's delegated authority.

## **Financial Considerations**

Niagara Region through the Smarter Niagara Incentive Program approved matching funding for tax increment grants (TIGs) for two properties in the City of St. Catharines, at 51 Lake and 136 James Streets in 2014. TIG incentives provide a grant based on a percentage of the increased assessment value of a development, usually over a 10-year period, and they are funded through assessment growth. The Region matched the two TIGs at the City's 45% rate for non-brownfield projects over ten years.

Two years after this approval, the City retroactively designated the properties as brownfields and approved both properties to receive the higher brownfield TIG incentive rate of 80% over 10 years. In addition, the City approved a new grant for each property, a Brownfield Tax Assistance Program (BTAP) grant. BTAPs provide a freeze or cancellation of municipal taxes on properties during a specified period of redevelopment.

The City has requested the Region match both the revised TIG grant levels and the new BTAP grants for each property which would result in an additional \$421,527 in Regional funding on top of the existing Regional incentive payments/commitments of over \$1.3 million. This figure includes Regional residential and development charge grants as well as the original TIG commitment for each property. Details are outlined in Appendix 3.

While funding at the original 45% TIG rate for each property is accommodated in the current Regional budget, there is no funding for the revised 80% TIG funding level request or for the new BTAP grants. The Region would match the local municipal program, a key part of which as outlined in the City's report on these requests, "one of the foundations of the program is that incentives are not provided retroactively for projects that already have commenced or are completed" (PBS 054-2016, Appendix 1). Any action to revise existing incentive levels for these properties would be non-conforming, require Regional Council action, and would have to be prospective, i.e., funding would have to be allocated in future Regional budgets.

## **Analysis**

In 2014 through report PDS 189-2014, the City approved TIGs for properties located at 51 Lake Street and 136 James Street. These TIGs, for seven-story apartment buildings with 67 and 53 units respectively, were to be paid over 10 years at a 45% increment over the term of the grant. In the same report, these two properties were also each approved for residential grants. The Region approved matching funding for both TIGs and residential grants for both properties.

Contamination was subsequently discovered on the two properties. There did not appear to be a Record of Site Condition for either property, which sets out the environmental condition of a property based on environmental site assessments, prior to issuing of a building permit and work commencing. Total soil remediation costs for 51 Lake Street and 136 James Street were \$1,633,261.06 and \$1,425,960.57 respectively. In March 2016 City Council voted to reconsider and ultimately reversed its initial approval of the report on this request (PBS-054-2016) which did not recommend the new funding levels (Appendix 2).

In 2016 the City submitted a funding allocation request to the Region for these properties based on the retroactive brownfield designation rates for the TIGs, and for new BTAP grants for each property. Though the purpose of these incentives is to encourage remediation and redevelopment on land that may otherwise not be developed without such incentives, in response to a subsequent Regional inquiry the City notified the Region that work on both properties was complete. The Region matches project funding approved under eligible local programs, within the parameters of the Smarter Niagara Incentive Program. Following the City's program as outlined in its report on these projects (Appendix 1), the Region would not fund retroactive incentives. A request to do so is considered non-conforming, and must be brought by the local municipal partner before Council for consideration. This report represents that request.

## **Alternatives Reviewed**

This is a report for information only. If Council takes no action, the Region allocated in the existing budget for TIGs at 45% on both properties will be paid out upon submission of complete invoicing packages. Regional funding for residential grants totalling \$250,000 and development charge grants/exemptions totalling \$537,000 have already been paid out.

Alternatively Council may consider approving the City's request for revised and new grants totalling \$421,527. This funding is not available in the 2019 budget. As these grants are funded through assessment growth any addition funding can be accommodated prospectively through future Regional budgets.

## **Relationship to Council Strategic Priorities**

This report is for information and though its subject matter relates to Council Strategic Priorities, particularly fiscally sustainable government and responsible infrastructure planning, there is no recommendation that realizes any specific priority.

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### **Prepared by:**

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Enterprise Resource Management  
Services

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### **Recommended by:**

Rino Mostacci, MCIP, RPP  
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 Helen Chamberlain, CPA, CA, Director, Financial Management & Planning/Deputy Treasurer, Enterprise Resource Management Services and Marian Bannerman, PhD, Program Manager, Grants and Incentives, Planning and Development Services.*

## **Appendices**

- Appendix 1 PBS 054-2016 Community Improvement Plan – Request for Approval of Applications, City of St. Catharines (February 22, 2016)
- Appendix 2 Corporation of the City of St. Catharines Regular Council Minutes (March 7, 2016)
- Appendix 3 Estimated Grant Costs for 51 Lake and 136 James Streets



## Corporate Report

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**Report from** Planning and Building Services, Planning Services

**Date of Report:** January 18, 2016

**Date of Meeting:** February 22, 2016

**Report Number:** PBS-054-2016

**File:** 60.32.99

**Subject:** Community Improvement Plan – Request for Approval of Applications for:  
Tax Increment Finance Program (TIF)

- 155 Ontario Street and 4, 6, 10 Adams Street
- 19 Beard Place
- 60 Canterbury Drive
- 271 Merritt Street

Brownfield Tax Assistance Program

- 282-285 Ontario Street and 10 Pleasant Avenue

Expanded Incentive under 2004 Plan

- 51 Lake Street
- 136 James Street

## Recommendation

That Council approve the application for a Tax Increment Finance incentive under the 2015CIP, equivalent to a 45% tax rebate over a 10-year time period, for the application for 155 Ontario Street and 4, 6, 10 Adams Street; and

That Council approve the application for a Tax Increment Finance incentive under the 2015CIP, equivalent to a 45% tax rebate over a 10-year time period, for the application for 271 Merritt Street; and

That Council approve the application for a Brownfield Tax Assistance incentive under the 2015CIP, equivalent to a 100% tax rebate over a three-year time period, for each of 282 Ontario Street, 285 Ontario Street, and 10 Pleasant Avenue; and

That applications for Tax Increment Finance under the 2015CIP pertaining to 60 Canterbury Drive and 19 Beard Place not be approved; and

That the request to shift CIP incentives under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly; and

Further, that the base amount of the funding model for the CIP program be amended, beginning in 2017, to sustain adequate funding of existing commitments made under the 2004 CIP, as well as funding to support approval of projects under the 2015CIP as recommended in this report. FORTHWITH

## **Summary**

The City has had a Community Improvement Plan (CIP) since 2004. A total of 86 projects were approved for municipal financial incentives under this CIP. To satisfy all remaining financial incentive commitments made under this Plan, the municipality is required to allocate an additional \$6,935,000 in future municipal budgets.

To date, five applications have been submitted for consideration of incentive approvals, for a total of seven projects, under the City's new CIP (2015CIP) Tax Increment Finance (TIF) Program and the Brownfield Tax Assistance (BTA) Program. A request has also been made for changing incentives previously granted under the 2004 CIP. The total estimated value of all incentives requested is \$5,454,820. If approved, this amount would be required to be set out in future municipal budgets over the next 10 to 20 years and is over and above the allocation required to satisfy existing commitments approved under the 2004 CIP.

This report outlines existing commitments made under the 2004 CIP and addresses the evaluation and budget implications of new TIF and BTA applications received under the 2015CIP, as well as the request for a change in incentives under the former 2004 CIP for two development sites.

## **Background**

Provincial legislation enables local municipalities to adopt Community Improvement Plans (CIP) to enable municipalities to offer financial incentives to the private sector to stimulate investment in projects that support municipal community renewal objectives and strategies. More specifically, the incentives are intended to help offset a portion of costs incurred by the private sector for projects related to redevelopment, reuse, and rehabilitation of the built environment, and brownfield remediation.

### **Original CIP (2004)**

The City first adopted a CIP in 2004, with a 10-year time plan horizon. It expired at the end of 2014. The 2004 CIP offered seven financial incentive programs. Four of the programs offered a one-time grant, and three provided a longer term tax based incentive.

Under the 2004 CIP, a total of 86 projects were approved by City Council for financial incentives. The total value of incentives committed by the City under those approvals was \$13,135,000. Between 2004 and 2015, approximately \$6,200,000 has been allocated in municipal budgets for funding the incentive approvals granted, and 37% of this allocation has been disbursed to date. An estimated additional \$6,935,000 is required to be allocated in future municipal budgets to satisfy all of the existing funding commitments approved under 2004 CIP programs. This will extend for approximately 12 years to 2028.

The 86 projects approved through the 2004 CIP represent the creation of over 900 new residential dwelling units and an estimated increase of \$150,000,000 in property tax assessment.

## Revised 2015CIP

In advance of the CIP expiring at the end of 2014, the City, in 2013, undertook an extensive review of the CIP. This review resulted in the preparation of the 2015CIP, which was formally approved by Council on November 17, 2014. It offers the following programs:

1. Façade Improvement Program (FIP) and Residential / Office Conversion Program  
A one-time grant is given after project completion. The Director of Planning and Building Services has been given approval authority under these programs. There is an allocation of \$100,000 in the proposed 2016 municipal budget to fund these programs.
2. Tax Increment Finance (TIF) Program  
This program provides an annual rebate of property taxes paid on a property to offset a portion of costs incurred for soil remediation and/or redevelopment projects.

The value of the rebate is based on the increase in property tax assessment resulting from the completion of the project. For redevelopment projects, the value of the rebate is 45% of the increase in property taxes generated by the project, or the eligible project costs incurred, whichever is less. The rebate is given annually for a period of 10 years after project completion

For redevelopment projects that also involve soil remediation, the value of the rebate is 80% of the increase in property taxes generated by the project, or eligible project costs incurred, whichever is less, and the rebate is given annually for a period of 10 years after project completion.

The program is based on a competitive application process, with each application evaluated based on a weighted criteria ranking system to determine priority consideration for approval. The evaluation criteria and weighted ranking system is set out in Appendix 1.

The program is available to all properties within the City's urban area. However, one of the components of the program evaluation criteria gives a higher points ranking to properties located in Priority Neighbourhoods and within designated Intensification Areas as established in the City's Official Plan (Appendix 2).

Although the incentive is given for a 10-year period, the timeline to allocate monies in the municipal budget to fund the incentive is typically spread out over a much longer time frame. Approved projects must enter into a TIF Agreement with the municipality prior to project commencement and then have three years to complete the project. Within two years of completing the project, the applicants must request commencement of the incentive rebate. Effectively, the tax rebate may not be commenced for a period of up to five years after actual project completion.

Given the long term nature of the tax based incentives, the allocation of monies in the municipal budget directed towards paying the incentive is spread out over an extended period of time, typically 10 to 20 years.

### 3. Brownfield Tax Assistance (BTA) Program

This program provides an annual rebate of property taxes paid on a property to offset costs incurred for soil remediation projects. The rebate is equal to 100% of annual taxes paid on the property, or eligible project costs incurred, whichever is less, and is provided annually for a maximum period of three years.

This program is only available to properties located in Priority Neighbourhoods (Appendix 2).

The municipality began accepting applications under the new 2015CIP on October 30, 2015. To date, four TIF applications and one BTA application have been submitted for consideration of incentive approvals for a total of seven projects.

Combined, the requested TIF projects represent the generation of 675 new residential dwelling units and approximately 125 new permanent job opportunities, the majority of which are in the Downtown.

If all TIF and BTA applications were approved, the total value of incentives that would be granted by the City is estimated at \$5,087,320. The estimated increase in property tax assessment generated by the proposed projects is \$168,176,000, and will result in an increase of slightly over \$1,000,000 in annual City property taxes levied once projects are completed.

This report addresses the evaluation and budget implications of the TIF and BTA applications submitted under the new 2015CIP.

This report also addresses a request to shift an existing approved incentive granted under the former 2004 CIP. This request pertains to the redevelopment projects underway at 51 Lake Street and 136 James Street in the Downtown area. The total value of the requested incentive shift is \$367,500.

## **Report**

### **2015CIP**

#### **Applications Received**

##### **TIF Program**

Four TIF applications have been submitted for the following properties (Appendix 3 - location map):

- 155 Ontario Street and 4, 6 and 10 Adams Street
- 19 Beard Place
- 60 Canterbury Drive
- 271 Merritt Street



## **BTA Program**

One BTA application has been submitted for brownfield properties at 282, 285 Ontario Street and 10 Pleasant Avenue. (See Appendix 4 - location map).

## **Application Evaluation**

Each of the new proposed projects has been evaluated for the following:

- satisfaction of complete application requirements;
- satisfaction of program criteria in the approved 2015CIP;
- consideration of community renewal goals, objectives and growth strategies established in the Official Plan and the Corporate Strategic Plan;
- determination of the value of the financial incentive requested for each project.

Appendix 5 provides a summary of the project description, evaluation of each project and the estimated value of the incentive requested for each project. Based on the competitive priority evaluation criteria of the TIF program (Appendix 1), the proposed TIF projects are addressed in Appendix 5 in descending order of priority ranking for approval.

Appendix 6 provides a summary of the estimated annual and total value of incentives requested by each project.

The estimated incentive values stated in the appendices are only estimates and are subject to change depending on actual detailed project costs incurred, annual property taxes levied at time of project commencement and supplementary (actual) MPAC post development property tax assessments required after project completions.

## **Summary**

### **TIF Applications**

Based on project evaluations, all the TIF applications satisfy program criteria to be eligible for the incentive. Completion of these projects is estimated to generate an overall increase in property tax assessment of approximately \$168,176,000 and an increase of about \$1,000,000 in annual City property taxes levied once projects are completed.

If approved, the estimated total value of incentives that would be granted by the City for these projects is \$4,735,450 over a 10-year period, or \$473,545 annually.

### **BTA Applications**

Based on project evaluation, the BTA application for all three properties satisfies program criteria to be eligible for the incentive. If approved, the estimated annual and total three-year value of the incentive, by property, is as follows:

282 Ontario Street:	\$55,400 annually/\$166,200 over three years;
285 Ontario Street:	\$59,000 annually/\$177,000 over three years;
10 Pleasant Avenue:	\$2,890 annually/\$8,670 over three years.

The total incentive for all three properties combined would be \$117,300 annually and \$351,870 over three years.

### **Recommendation for Incentive Approvals**

All applications submitted for the TIF and BTA programs under the 2015CIP represent worthwhile projects for municipal community renewal and growth.

Approval of all applications would require that an estimated total of \$5,087,320 be allocated in future municipal budgets to fund these projects.

In recognition that the City's Operating Budget cannot sustain overall financial support for all applications for funding, the 2015CIP introduced a competitive application ranking system for TIF applications (Appendix 1) to address priority ranking for consideration of approval.

Certain stakeholders recommended that applications meeting a certain threshold of points awarded under the ranking system should automatically be recommended for approval. However, in essence, this discredits the purpose of the program to provide a priority based evaluation system in relation to the funding model to support the continuance of the CIP program.

In Council approving this priority based system, and in relation to the funding model to support new projects, it was recognized that certain applications may be recommended for approval and others may not.

The evaluation of applications is set out in Appendix 5. Based on this competitive ranking system, and in consideration of the Corporate Strategic Plan, the Official Plan, overall municipal goals for community renewal, growth strategies, and objectives, staff provide the following recommendations for priority approval of applications received under the 2015CIP:

1. 155 Ontario Street (including 4,6,10 Adams Streets);
2. 282-285 Ontario Street/10 Pleasant Avenue;
3. 271 Merritt Street.

Combined, these projects represent the generation of 604 new residential dwelling units, the creation of approximately 125 new permanent job opportunities, an estimated increase of \$152,181,908 in property tax assessment, and \$951,400 in annual property taxes paid to the City upon the completion of the projects.

### **Incentive Request Outside of the 2015CIP Program - 51 Lake Street and 136 James Street**

The City has received a request to shift an existing approved incentive granted under the former 2004 CIP. This request has been made for the redevelopment projects currently underway at 51 Lake Street and 136 James Street (Appendix 7).

On July 7, 2014, the applicant received approval for incentives under the 2004 CIP for redevelopment projects at 51 Lake Street and 136 James Street. Approval was granted under the Tax Increment Grant (TIG) program which provides a 45% tax rebate incentive over 10 years. Approval was also given for a grant under the Residential Construction Program and the refund of application and permit fees under the Municipal Application and Permit Fees Refund Program.

After approval of the incentive, it was discovered that additional project costs for soil remediation would be incurred on both sites to address contaminants that were previously undetected. This has triggered the request to move, retroactively, from the TIG program to the Brownfield Tax Increment Grant (BTIG) program and the BFTA program under the 2004 CIP. The BTIG program provides an 80% tax rebate for redevelopment projects that involve remediation, for a period of 10 years, and the BFTA program provides a 100% tax rebate for soil remediation for a maximum period of three years during remediation.

The applicant has stated that had the property owners been aware of the soil contamination on the subject properties at the time of their original application under the 2004 CIP, they would have applied for the BTIG and BFTA at that time, rather than the TIG.

The following provides a summary of CIP incentives previously approved and the incentives now requested.

- 51 Lake Street  
Construction of 67 residential units

2004 CIP Approvals		Request	
TIG (ten years)	\$248,364	BTIG (ten years)	\$432,936
Residential Construction	\$125,000	Residential Construction	\$125,000
Municipal Fee Rebate	\$ 88,015	Municipal Fee	\$ 88,015
		BTFA (maximum 3 years)	\$ 11,058
Total	\$461,379		\$657,009
Total Increase Requested			\$195,630
Approval under the BTIG and BFTA programs would represent an increase in the total value of incentive provided to the owners of approximately \$195,630 or \$19,563 annually.			

- 136 James Street  
Construction of 53 residential units

2004 CIP Approvals		Request	
TIG (ten years)	\$201,747	BTIG (ten years)	\$365,496
Residential Construction	\$125,000	Residential Construction	\$125,000
Municipal Fee Rebate	\$ 59,117	Municipal Fee	\$ 59,117
		BTFA (maximum 3 years)	\$ 8,121
Total	\$385,864		\$557,734
Total Increase Requested			\$171,870
Approval under the BTIG and BFTA programs would represent an increase in the total value of incentive provided to the owners of approximately \$171,870 or \$17,187 annually.			

The specific reason for the requested shift in the incentives is to recover costs related to unforeseen required soil remediation works. It must be acknowledged that evidence of contamination did not surface until the process for obtaining Records of Site Condition were underway. In order to proceed with the projects, brownfield remedial works in the amounts of \$1,363,016 for 51 Lake Street and \$835,765 for 136 James Street were required to be undertaken. As such, additional costs have been incurred that otherwise were not contemplated during Council deliberation of the original CIP requests for these two projects.

Given the additional costs that have been incurred to reach project completion, it is altogether prudent for Council to consider the approval of the applicant's request to transfer the TIG to that of a Brownfield TIG and also to consider approval of the Brownfield Tax Assistance program.

The premise of CIP is to offer incentives to stimulate private investment in 'new' projects, and one of the foundations of the program is that incentives are not provided retroactively for projects that already are commenced or are completed. The developments at 51 Lake Street and 136 James Street will be complete in 2016, and investments already have been made. Supporting these requests may be precedent setting and open the door for other projects previously approved for CIP funding that are complete or under construction to make similar requests.

The granting of this request may also compromise consideration of incentive approvals for other worthwhile projects that have submitted applications under the 2015CIP. Approval of the applicants request further impacts the amount of monies that Council would need to allocate for the 2016 CIP budget and for future years. In fact, to approve this request, Council would need to increase the funding by \$36,750 above recommended 2017 amounts for the first three years and then by \$17,751 for the remaining seven years.

These requested additional funds need to be balanced against those projects that fulfill the goals of the Strategic Plan and the Official Plan of achieving a vibrant Downtown and Urban Growth Centre where higher density of development is to be achieved.

Staff does not support the request from the applicant for expanding existing approved incentives granted under the former 2004 CIP for the properties at 51 Lake Street and 136 James Street for the reasons stated above.

## **Financial Implications**

The 2016 municipal budget establishes a funding model for financing commitments made under the CIP program. This funding model is to be carried over in subsequent future budgets to satisfy the long term nature of the incentive rebates.

If approving the three projects recommended by staff and maintaining the base amount currently established in the funding model, the budget reserve to fund CIP projects would drop to a negative reserve scenario in the year 2025 and three years before existing approvals under the 2004 CIP are complete.

In order to maintain an adequate base amount in the funding model to sustain funding of projects approved under the 2004 CIP and the three projects recommended under the 2015CIP, it would require an additional allocation of \$75,000 to the base amount beginning in 2017 and carried over into future budgets.

Appendix 8 identifies the implications of approving the three recommended projects under the 2015CIP without increasing the base amount of the funding model and also with an increase of \$75,000 to the base amount of the funding model beginning in 2017.

## **Relationship to Strategic Plan**

The recommendations of this report support Strategic Plan Goal 1 to attract private investment and directly relate to Action 1.2, 1.3 and 1.4: to prioritize redevelopment initiatives consistent with provincial planning legislation and the City's Official Plan to intensify mixed-use residential developments and ultimately enhance the property tax base and support job creation; to focus on the redevelopment of the former GM lands and Hotel Dieu site on Ontario Street; and to develop funding formula for the Community Improvement Program and brownfield improvement programs that support the goal of community redevelopment with the ability for the City to manage financial impacts of the funding program on an annual basis.

This report also relates to Strategic Plan Goal 2, Action 2.5 in addressing potential long term financial commitments and multi-year budgeting scenarios, and Strategic Plan Goal 5, Action 5.1 and 5.2 supporting connectivity between people, places and neighbourhoods, and redevelopment of properties to enhance the livability of neighbourhoods.

The recommendations of this report support the provision of municipal financial incentives to support redevelopment projects, and given the significant value of proposed incentives, may compromise Strategic Plan Goal 2, Action 2.6 to work towards achieving a budgetary tax rate increase at or below the rate of inflation by 2018.

## **Conclusion**

The 2004 CIP is seen as a great success in stimulating private sector investment in support of municipal community renewal objectives and strategies. Funding committed under the 2004 CIP has resulted in over 900 new residential dwelling units created and an estimated increase in property tax assessment of \$150,000,000.

Recommended projects for approval under the 2015CIP include the redevelopment of 155 Ontario Street and 4, 6 and 10 Adams Street, a significant property for Downtown and community renewal; the soil remediation of lands at 282-285 Ontario Street and 10 Pleasant Avenue, the largest brownfield site in the municipality; and the continued redevelopment of the former brownfield site at 271 Merritt Street, representing continued renewal at the Merritt Street / Glendale Avenue node. Combined, these projects represent the generation of 604 new residential dwelling units, the creation of approximately 125 new permanent job opportunities, an estimated increase of \$152,181,908 in property tax assessment, and \$951,400 in annual property taxes paid to the City upon the completion of the projects.

The approval of these projects requires an additional budget allocation of \$75,000 to the base amount of the CIP funding model, beginning in 2017 and in subsequent future budgets.

## **Notification**

It is in order to notify each of the applicants of the outcome of this Council decision.

### **Prepared by:**

Bruce Bellows, Policy Planner

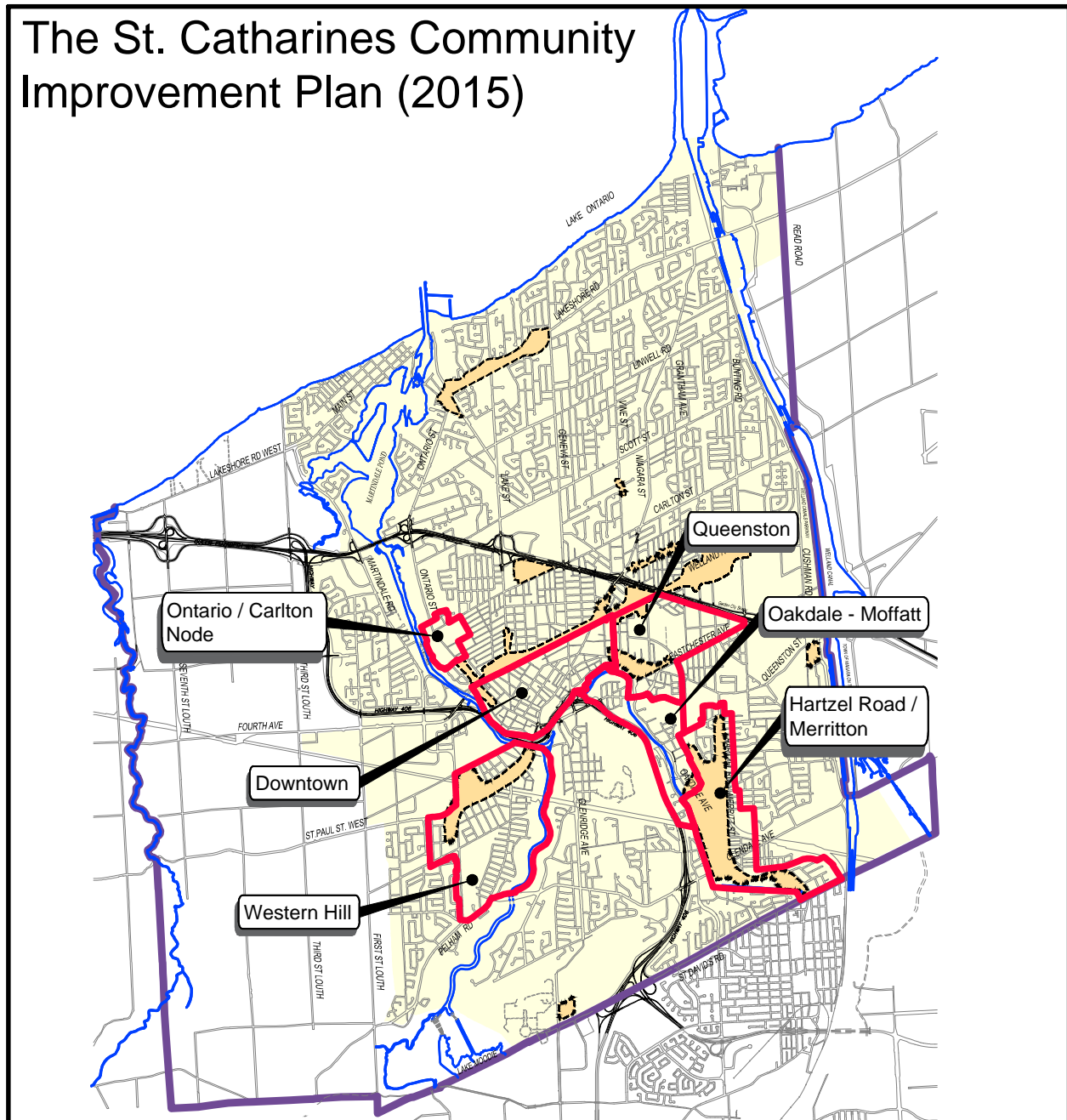
### **Submitted and Approved by:**

James N. Riddell, M.P.L., MCIP, RPP  
Director of Planning and Building Services





### TIF Application Priority Evaluation Criteria

VALUATION RANKING SYSTEM	Weight (points)
<b>1. Redevelopment Projects</b>	20
<b>2. Redevelopment Projects involving Remediation</b>	
- estimated cost of <i>remediation</i> in relation to other projects:	
- highest	30
- 2 <sup>nd</sup> highest	25
- 3 <sup>rd</sup> highest	20
<b>3. Lot Size</b> - 1 hectare or less	2
- greater than 1 hectare	4
<b>4. Project Location</b>	
- within the Downtown Priority Neighbourhood	15
- within other Priority Neighbourhoods	10
- within an Intensification Area outside a Priority Neighbourhood	5
<b>5. Financial Impact</b>	
- net benefit on weighted assessment in relation to other projects	
- highest	5
- 2 <sup>nd</sup> highest	3
- 3 <sup>rd</sup> highest	1
<b>6. Density Generation</b> (people and/or jobs per hectare) in relation to other projects	
- highest	10
- 2 <sup>nd</sup> highest	6
- 3 <sup>rd</sup> highest	3
<b>7. Value Added</b>	
- urban design features (façade, landscaping, public realm, etc)	2.5
- sustainability (LEEDS, energy efficiency, etc.)	2.5
- accessibility ( universal access, barrier free) in accordance with Facility Accessibility Design Standards (FADS)	2.5
- heritage restoration/preservation	2.5
<b>** For criteria 1 to 6, points are awarded on an all or nothing basis. For criteria 7, points may be awarded on a sliding scale up to a maximum of 10. **</b>	

# The St. Catharines Community Improvement Plan (2015)



## Community Improvement Plan (2015)

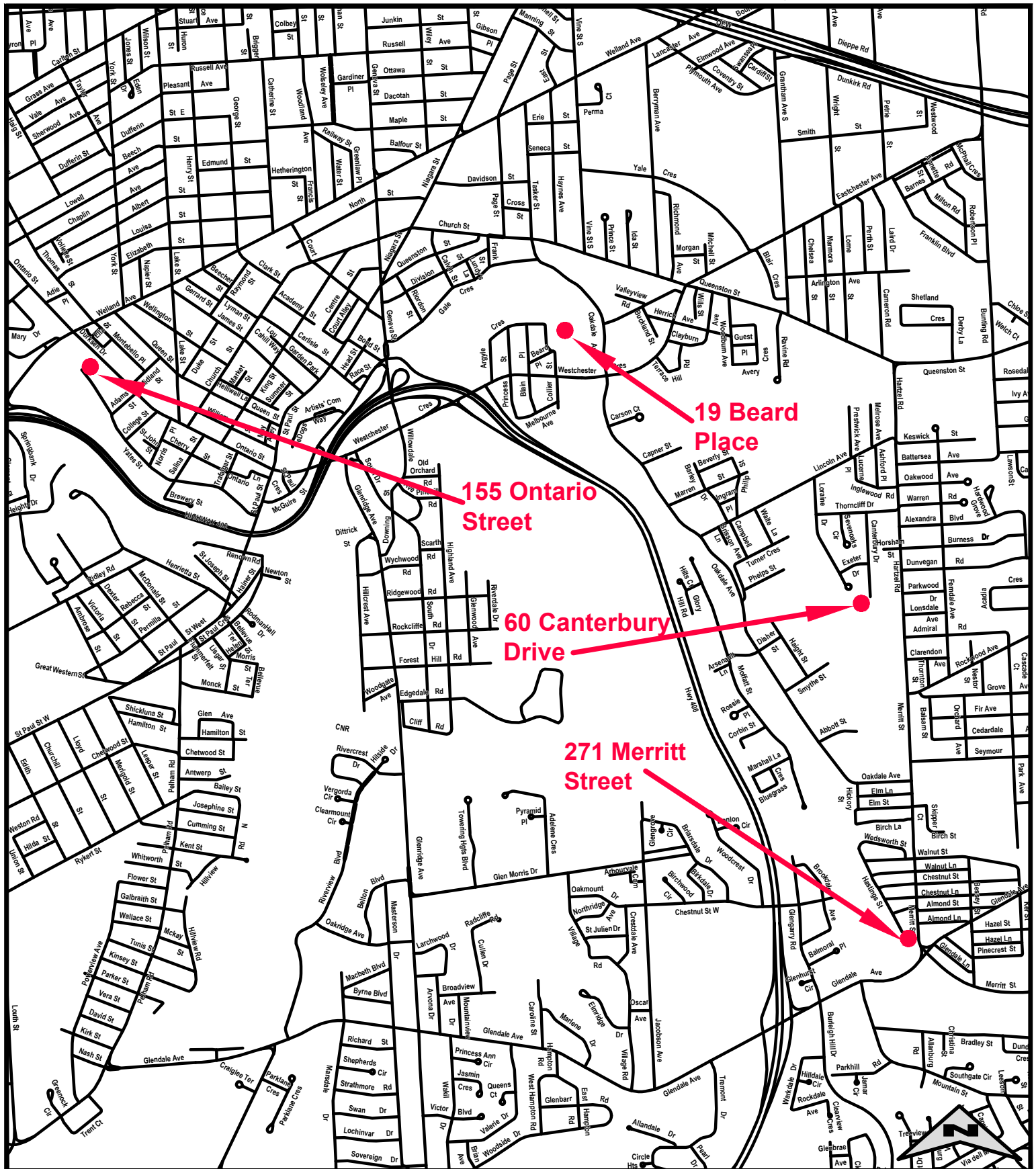
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|  Urban Area Community Improvement Project Area (Urban Area CIPA) |  Intensification Areas |
|  Priority Neighbourhoods   |  Municipal Boundary    |
| Downtown  | Oakdale - Moffatt   |
| Queenston   | Western Hill  |
| Hartzel Road / Merritton  | Ontario / Carlton Node  |

City of St. Catharines  
Planning and Development Services

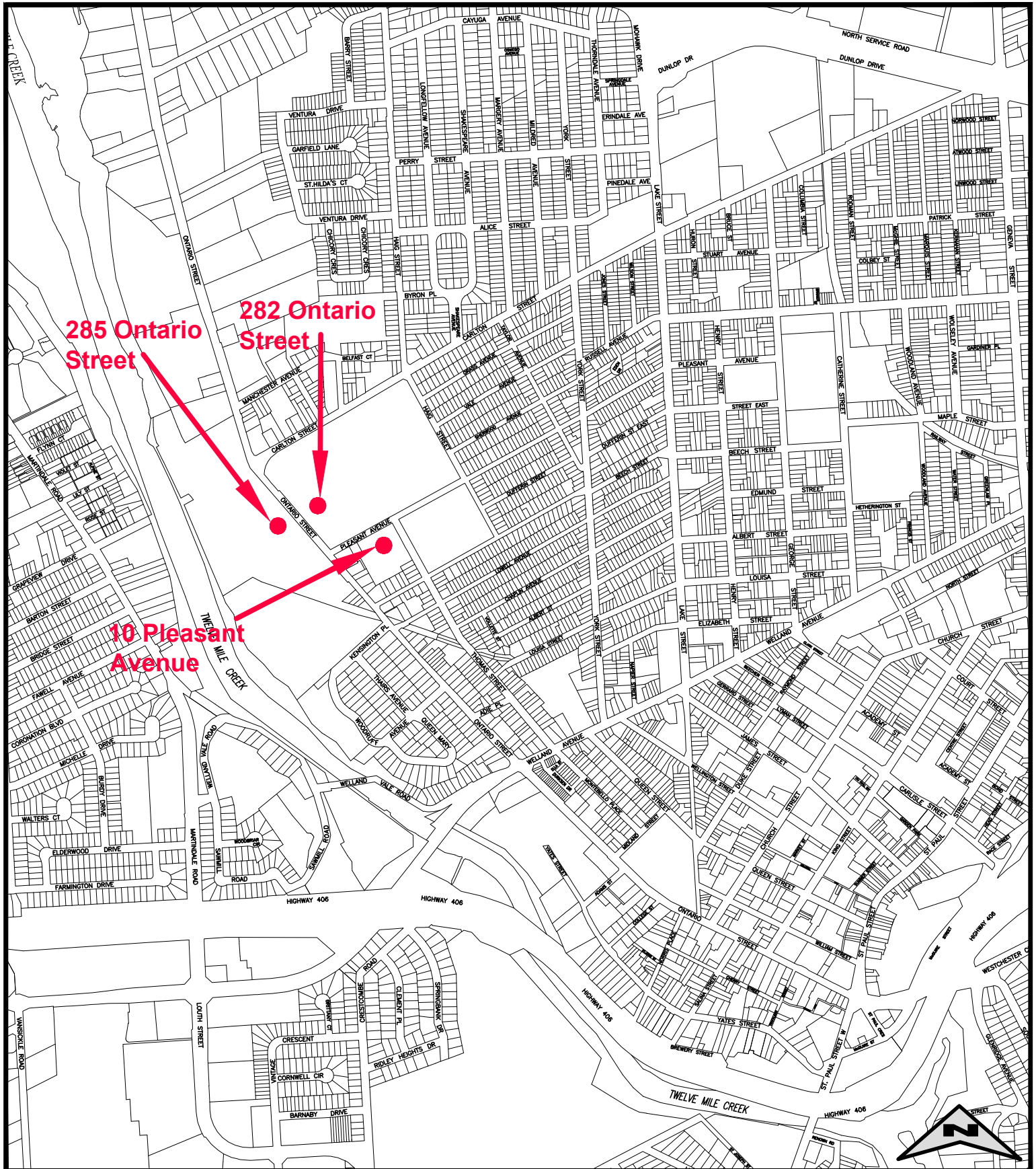




## Applications Submitted for the Tax Increment Finance (TIF) Program



# Applications Submitted for the Brownfield Tax Assistance (BTA) Program





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Application Location	Program Type	Property Size	Project Details	Estimated Project Costs	Existing Assessment	Estimated Assessment Increase	Estimated Annual City Tax Increase	Eligible Incentive (45% of annual tax)	Total Incentive Value (over 10 years)
19 Beard Place	TIF	1.4 ha	5 storey 41 unit apartment condominium building	\$9,470,000	\$569,000	\$9,006,000	\$56,000	\$25,200	\$252,000
Evaluation									
	Yes	No	Comments						
Complete Application	X								
Priority Neighbourhood	X		Oakdale-Moffatt						
Intensification Area		X							
Density Generation	X		Density - 100 units/hectare						
Job Creation		X							
People (jobs per ha) Density			200						
Redevelopment	X								
Remediation		X							
Financial Benefit (Rank)			3 of 4						
Value Added									
Evaluation Score (Based on weighted ranking system)	41.5								
COMMENTS:	Supports Corporate Strategic Plan Goal 1, Action 1.4, Goal 5.1, 5.2; Estimated project costs greater than potential incentive value.								
Total Incentive Value	\$252,000								
Annual Payment Incentive	\$25,200								







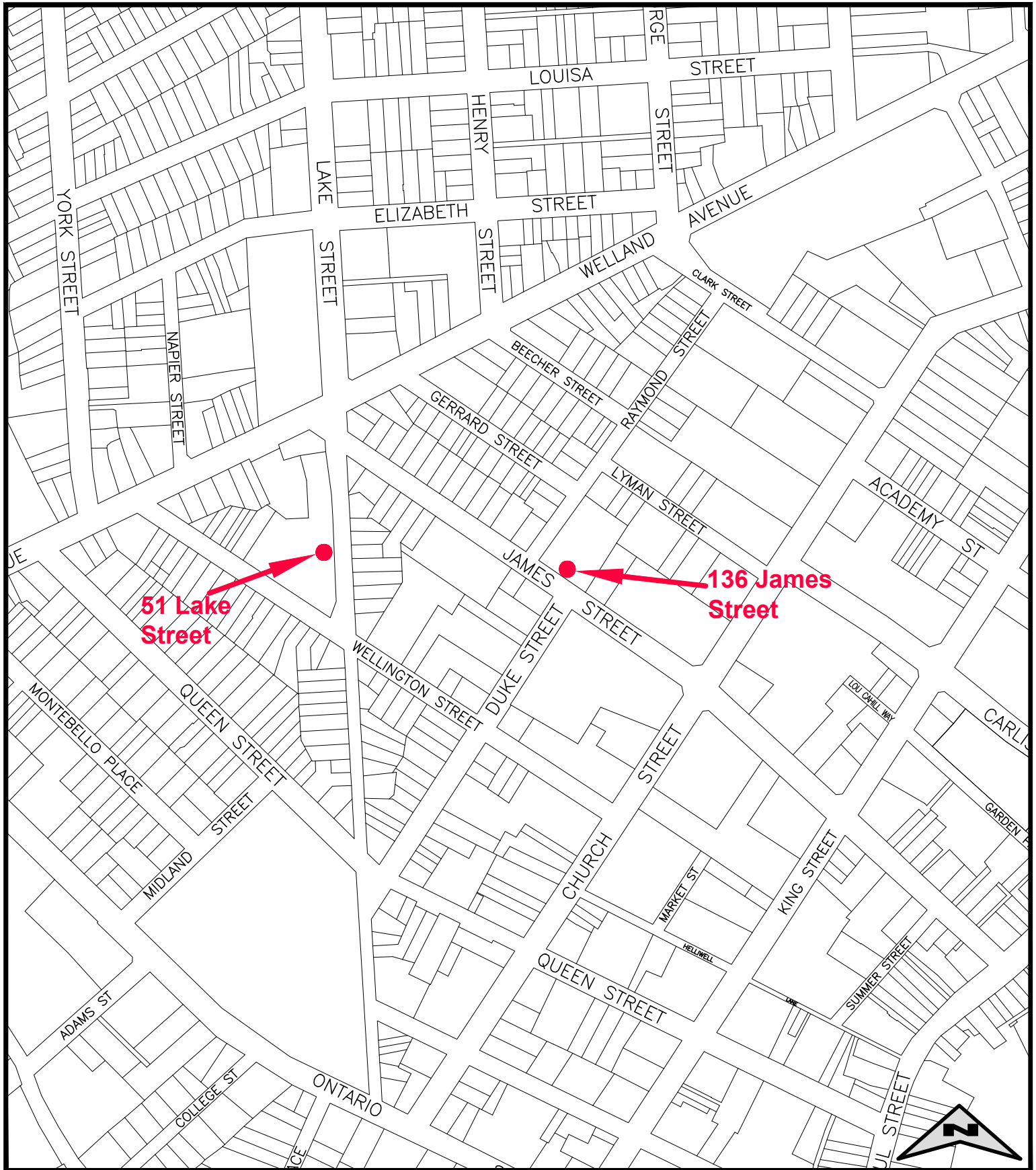


Application Location	Program Type	Property Size	Project Details	Estimated Project Costs	Existing Annual City Tax	Annual Eligible Incentive	Total Incentive Value (over 3 years)
10 Pleasant Ave. (former General Motors site)	BTA	1.16 ha	soil remediation	\$120,000	\$2,890	\$2,890	\$8,670
<b>Evaluation</b>							
	<b>Yes</b>	<b>No</b>	<b>Comments</b>				
Complete Application	X						
Priority Neighbourhood	X		Ontario/Carlton Node				
Intensification Area		X					
COMMENTS:	Former GM lands represents largest brownfield remediation opportunity in the municipality in key central location; Represents remediation to a mixed use commercial/residential standard, supporting future large scale redevelopment opportunities with close proximity to Downtown; Supports Corporate Strategic Plan Goal 1, Action 1.2, 1.3, 1.4, Goal 5, Action 5.1, 5.2; Estimated project costs greater than potential incentive value.						
Total Incentive Value	\$8,670						
Annual Payment Incentive	\$2,890						

**Estimated Value of Tax Rebate Incentives Requested**

Project	Tax Rebate Incentive (\$)			Meets Program Evaluation For Approval (\$)	
	Annual For 3 years	Annual For 10 years	TOTAL	Yes	No
<b>TIF APPLICATIONS</b>					
155 Ontario Street		400,000	4,000,000	4,000,000	
19 Beard Place		25,200	252,000	252,000	
271 Merritt Street		27,600	276,000	276,000	
60 Canterbury Drive		20,745	207,450	207,450	
<b>total</b>		<b>473,545</b>	<b>4,735,450</b>	<b>4,735,450</b>	
<b>BTA APPLICATIONS</b>					
282 Ontario Street	55,400		166,200	166,200	
285 Ontario Street	59,000		177,000	177,000	
10 Pleasant Avenue	2,890		8,670	8,670	
<b>total</b>	<b>117,290</b>		<b>351,870</b>	<b>351,870</b>	
<b>2004 CIP REQUEST</b>					
51 Lake Street	3,686	18,457	195,630		195,630
136 James Street	2,707	16,374	171,870		171,870
<b>total</b>	<b>6,393</b>	<b>33,681</b>	<b>367,500</b>		<b>367,500</b>
<b>TOTAL</b>	<b>123,683</b>	<b>507,226</b>	<b>5,454,820</b>	<b>5,087,320</b>	<b>367,500</b>

Properties Subject to Request for Expanded Incentive Approval under the 2004 CIP



## City of St. Catharines Funding Proposal - CIP Reserve

Costing Scenario: **Staff Recommended Projects with no adjustment to Funding Model**

Financial Implications: The Financial Model is insufficient and the Reserve is depleted in 2025.  
The depletion of the reserve occurs three years before the existing approvals are completed

Year	Opening Reserve Balance	Annual Funding			Annual Payments	Ending Reserve Balance
		Base Amount	Growth Amount	Total Annual Budget		
2016	3,898,048	825,000	63,408	888,408	1,102,135	3,684,321
2017	3,684,321	825,000	104,047	929,047	1,155,574	3,457,794
2018	3,457,794	825,000	111,813	936,813	1,495,565	2,899,042
2019	2,899,042	825,000	127,300	952,300	1,260,511	2,590,831
2020	2,590,831	825,000	139,614	964,614	1,307,803	2,247,642
2021	2,247,642	825,000	235,053	1,060,053	1,610,674	1,697,021
2022	1,697,021	825,000	241,297	1,066,297	1,566,948	1,196,370
2023	1,196,370	825,000	240,448	1,065,448	1,522,581	739,237
2024	739,237	825,000	247,918	1,072,918	1,544,766	267,389
2025	267,389	825,000	228,245	1,053,245	1,566,951	(246,317)
2026	(246,317)	825,000	214,745	1,039,745	1,413,044	(619,616)
2027	(619,616)	825,000	170,390	995,390	1,096,377	(720,603)
2028	(720,603)	825,000	177,861	1,002,861	1,156,140	(873,882)
2029	(873,882)	825,000	162,373	987,373	965,997	(852,506)
2030	(852,506)	825,000	148,763	973,763	878,604	(757,347)
2031	(757,347)	825,000	52,293	877,293	418,341	(298,395)
2032	(298,395)	825,000	44,822	869,822	358,578	212,849
2033	212,849	825,000	37,352	862,352	298,815	776,386

2025 - projected year when base funding is not sufficient to provide for financial obligations of the program

2028 - projected last year of payments relating to existing (2004 CIP) approvals

## City of St. Catharines Funding Proposal - CIP Reserve

Costing Scenario: **Staff recommended projects and Amend Funding Model**

Financial Implications: An Increase to the Base Funding of \$75,000 annually is sufficient to fund the approvals

Year	Opening Reserve Balance	Annual Funding			Annual Payments	Ending Reserve Balance
		Base Amount	Growth Amount	Total Annual Budget		
2016	3,898,048	825,000	63,408	888,408	1,102,135	3,684,321
2017	3,684,321	900,000	104,047	1,004,047	1,155,574	3,532,794
2018	3,532,794	900,000	111,813	1,011,813	1,495,565	3,049,042
2019	3,049,042	900,000	127,300	1,027,300	1,260,511	2,815,831
2020	2,815,831	900,000	139,614	1,039,614	1,307,803	2,547,642
2021	2,547,642	900,000	235,053	1,135,053	1,610,674	2,072,021
2022	2,072,021	900,000	241,297	1,141,297	1,566,948	1,646,370
2023	1,646,370	900,000	240,448	1,140,448	1,522,581	1,264,237
2024	1,264,237	900,000	247,918	1,147,918	1,544,766	867,389
2025	867,389	900,000	228,245	1,128,245	1,566,951	428,683
2026	428,683	900,000	214,745	1,114,745	1,413,044	130,384
2027	130,384	900,000	170,390	1,070,390	1,096,377	104,397
2028	104,397	900,000	177,861	1,077,861	1,156,140	26,118
2029	26,118	900,000	162,373	1,062,373	965,997	122,494
2030	122,494	900,000	148,763	1,048,763	878,604	292,653
2031	292,653	900,000	52,293	952,293	418,341	826,605
2032	826,605	900,000	44,822	944,822	358,578	1,412,849
2033	1,412,849	900,000	37,352	937,352	298,815	2,051,386

2028 - projected last year of payments relating to existing (2004 CIP) approvals



The Corporation of the City of St. Catharines  
**REGULAR COUNCIL MINUTES**  
Monday, March 07, 2016  
(2016 Operating Budget)

**Present:** Mayor Walter Sendzik  
Councillors Sandie Bellows, Mike Britton, N. Carlos Garcia,  
Matt Harris, David A. Haywood, Joseph Kushner, Bill Phillips,  
Mathew Siscoe, Sal Sorrento, Jennifer Stevens, and Bruce Williamson

**Absent:** Councillor Mark Elliott

**Officials Present:** Dan Carnegie, Chief Administrative Officer  
Shelley Chemnitz, Commissioner of Corporate Services  
Bryan Shynal, Commissioner of Operations  
Nicole Auty, Director of Legal and Clerks Services/City Solicitor  
Jim Riddell, Director of Planning and Building Services  
Kristine Douglas, Director of Financial Management Services  
Jeanette Pillitteri, Director of Corporate Support Services  
Dan Dillon, Director of Transportation and Environmental Services  
David Oakes, Director of Recreation and Community Services  
David Wood, Director of Fire and Emergency Management Services  
Steve Solski, Executive Director of FirstOntario Performing Arts Centre  
Bonnie Nistico-Dunk, City Clerk  
Rebecca Alfieri, Council and Committee Coordinator

Mayor Sendzik took the chair and called the meeting to order in Council Chambers at 6:31 p.m.

**1. Presentations**

There were none this evening.

**2. Public Meetings Pursuant to Planning Act**

There were none this evening.

**3. Mayor's Report**

Mayor Sendzik presented a verbal report on matters of community interest.

The Mayor reviewed the process for the 2016 Operating Budget meeting this evening, and for tomorrow, if necessary.

#### **4. Adoption of the Agendas**

Moved By: Councillor Phillips  
Seconded By: Councillor Williamson

That Council adopt the agenda for the meeting of March 7, 2016, as presented.

**Carried**

#### **5. Declarations of Interest**

There were none declared.

#### **6. Adoption of the Minutes (Council and General Committee)**

##### **6.1. Regular Meeting of Council, [February 22, 2016](#)**

Moved By: Councillor Phillips  
Seconded By: Councillor Siscoe

That Council adopt the minutes of the Regular meeting of Council held on Monday, February 22, 2016.

**Carried**

##### **6.2. General Committee Meeting, [February 22, 2016](#)**

Moved By: Councillor Phillips  
Seconded By: Councillor Siscoe

That Council adopt the minutes of the General Committee meeting held on Monday, February 22, 2016.

**Carried**

#### **7. Delegations**

##### **7.1. Public Meeting (Pursuant to Notice By-law No. 2007-310, as Amended) 2016 Operating Budget (see [General Committee Agenda, March 7, 2016, Item 3.1](#))**

The Mayor advised that public notice had been published in accordance with the City's Notice By-law to consider the 2016 Operating Budget.

Shelley Chemnitz, Commissioner of Corporate Services, presented the 2016 Operating Budget.

Councillor Siscoe, Budget Standing Committee Chair, addressed Council to present the draft operating budget for 2016 as approved by the Budget Standing Committee.

The Mayor advised that those who had registered with the City Clerk in advance of the public meeting would be heard first. George Darte, Adam Bradley, and Kim Bauer registered to be heard. Their comments are summarized below:

- George Darte addressed Council with regards to reducing waste, relative to city services. Mr. Darte agreed to participate in budget meetings for next year.

- Adam Bradley addressed Council regarding his concern regarding the Fire Fighter's budget and the issues with the arbitration process. Mayor Sendzik encouraged Mr. Bradley to send his concerns to Council.
- Kim Bauer addressed Council to state that he feels the Budget Standing Committee is an excellent addition to the process. Mr. Bauer also provided input as it relates to reductions.

The Mayor asked if anyone else present this evening would like to speak. No one else wished to speak to the matter.

Ms. Chemnitz made closing comments.

*The public meeting was closed.*

Moved By: Councillor Stevens

Seconded By: Councillor Siscoe

That Council receive the presentation regarding the 2016 Operating Budget, and refer it to General Committee, Item No. 3.1, for consideration later in the evening.

**Motion to Refer Carried**

## **8. Call for Notices of Motion**

- 8.1. Request for Reconsideration of a Previously Decided Motion  
Community Improvement Plan - Evaluation of New Applications and Municipal  
Budget Implications  
Re: 51 Lake Street and 136 James Street

Moved By: Councillor Stevens

That Council approve the reconsideration of the motion in the report from Planning and Building Services, Planning Services, respecting the Community Improvement Plan - Evaluation of New Applications and Municipal Budget Implications, dated January 18, 2016, Item 3.7 of the General Committee Minutes of February 29, 2015, being:

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly.

...

## **Suspension of the Rules**

Moved By: Councillor Stevens

Seconded By: Councillor Kushner

That Council suspend the rules in accordance with the Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be considered at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Carried**

Council now voted on the request to reconsider the previously decided motion regarding the CIP incentive

pertaining to 51 Lake Street and 136 James Street.

**Motion to Reconsider Carried**

*Council now voted on the original motion.*

**Original Motion to not approve CIP Incentive**

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly.

Yeas: Councillors Haywood, and Williamson

Nays: Councillors Bellows, Britton, Garcia, Harris, Kushner, Phillips, Siscoe, Sorrento, Stevens, and Mayor Sendzik

**Lost**

Moved By: Councillor Stevens

Seconded By: Councillor Sorrento

That Council move In-Camera for advice that is subject to solicitor-client privilege regarding questions pertaining to 51 Lake Street, and 136 James Street.

**Carried**

*Council recessed to In-Camera at 8:01 p.m. and reconvened at 8:08 p.m.*

*Following the In-Camera session, the new motion regarding approval of CIP Incentive pertaining to 51 Lake Street, and 136 James Street was now voted on.*

**New Motion regarding CIP Incentive pertaining to 51 Lake Street, and 136 James Street**

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street be approved.

Yeas: Councillor Bellows, Britton, Garcia, Harris, Kushner, Phillips, Siscoe, Sorrento, Stevens, and Mayor Sendzik

Nays: Councillors Haywood, and Williamson

**Carried**

**8.2. Request for Reconsideration of a Previously Decided Motion  
Corporate Insurance Coverage - April 1, 2016 to July 1, 2017**

*Mayor Sendzik declared a Conflict of Interest (Pecuniary), as he has personal business with one of the insurance companies in the RFP, and left the Chair.  
Councillor Phillips took the chair.*

Councillor Kushner requested reconsideration of the motion regarding Item 3.3, and asked to go In-Camera.

Moved By: Councillor Kushner

Seconded By: Councillor Stevens

That Council move In-Camera for advice that is subject to solicitor-client privilege regarding questions pertaining to Item 3.3.



**Carried**

*Council recessed to In-Camera at 8:19 p.m. and reconvened at 8:34 p.m.*

*Following the In-Camera session, Councillor Kushner requested a motion to Suspend the Rules.*

## **Suspension of the Rules**

Moved By: Councillor Kushner

That Council suspend the rules in accordance with the Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be considered at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Carried**

Moved By: Councillor Sorrento

That Council reconsider the previously decided motion regarding Report Number FMS-059-2016, Corporate Insurance Coverage - April 1, 2016 to July 1, 2017, that was considered at the City Council meeting of February 29, 2016.

*Councillor Harris requested a recorded vote.*

Yeas: Councillors Bellows, Britton, Harris, Siscoe, and Sorrento

Nays: Councillors Garcia, Haywood, Kushner, Phillips, Stevens, and Williamson

**Motion to Reconsider Lost**

- 8.3. Request for Reconsideration of a Previously Decided Motion  
Community Improvement Plan - Evaluation of New Applications and Municipal  
Budget Implications  
Re: 19 Beard Place

*Councillor Siscoe declared a Conflict, as it relates to a business interest.*

Moved By: Councillor Bellows

That Council approve reconsideration of the motion in the report from Planning and Building Services, Planning Services, respecting Community Improvement Plan - Evaluation of New Applications and Municipal Budget Implications, dated January 18, 2016, Item 3.7 of the General Committee Minutes of February 29, 2015, being:

That applications for Tax Increment Finance under the 2015CIP pertaining to 19 Beard Place not be approved.

...

## **Suspension of the Rules**

Moved By: Councillor Bellows

That Council suspend the rules in accordance with Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be put at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Lost**

**9. Motions**

There were none this evening.

**10. Resolve into General Committee**

Council recessed at 8:39 p.m. and General Committee convened. General Committee adjourned at 10:38 p.m.

**10.1. Adjournment of Meeting - March 7, 2016**

Moved By: Councillor Bellows

Seconded By: Councillor Harris

That this meeting of March 7, 2016, be adjourned and reconvened on Tuesday, March 8, 2016, at 6:30 p.m. in Council Chambers to complete the remainder of the items on the agenda.

**Carried**



The Corporation of the City of St. Catharines

REGULAR COUNCIL MINUTES

Tuesday, March 08, 2016

(2016 Operating Budget)

**10.2. Reconvene Meeting - March 8, 2016**

General Committee reconvened on Tuesday, March 8, 2016 at 6:31 p.m., and adjourned at 9:27 p.m. and City Council reconvene.

**Present:** Mayor Sendzik

Councillors Sandie Bellows, Mike Britton, N. Carlos Garcia, Matt Harris, David A. Haywood, Joseph Kushner, Bill Phillips, Mathew Siscoe, Sal Sorrento, Jennifer Stevens, and Bruce Williamson (arrived at 6:36 p.m.)

**Absent:** Councillor Mark Elliott

**Officials** Dan Carnegie, Chief Administrative Officer

**Present:** Shelley Chemnitz, Commissioner of Corporate Services  
Bryan Shynal, Commissioner of Operations  
Nicole Auty, Director of Legal and Clerks Services/City Solicitor  
Jim Riddell, Director of Planning and Building Services  
Kristine Douglas, Director of Financial Management Services  
Jeanette Pillitteri, Director of Corporate Support Services  
Dan Dillon, Director of Transportation and Environmental Services  
David Oakes, Director of Recreation and Community Services  
Dave Wood, Director of Fire and Emergency Management Services  
Steve Solski, Executive Director of FirstOntario Performing Arts Centre  
Bonnie Nistico-Dunk, City Clerk  
Rebecca Alfieri, Council and Committee Coordinator

**11. Motion Arising from In-Camera Session**

There was no scheduled In-Camera session this evening.

**12. Motion to Ratify Forthwith Recommendations**

Moved By: Councillor Siscoe

Seconded By: Councillor Phillips

That Council adopt those items approved FORTHWITH by the General Committee on Monday, March 7, 2016 and Tuesday, March 8, 2016.

**Carried**

**13. By-laws**

**13.1. Reading of the By-laws**

Moved By: Councillor Harris

Seconded By: Councillor Garcia

That the following by-laws be read a first time, considered and passed; and

That they be signed and executed by the Mayor and the City Clerk.

By-law 2016-40 A By-law to confirm the proceedings and decisions of the Council of The Corporation of the City of St. Catharines at its meeting held on the 7th and 8th day of March, 2016. (One reading – with respect to ratification and adoption of City Council Minutes of March 7 & 8, 2016 and General Committee Minutes of March 7 & 8, 2016.) File No: 10.12.1

**Carried**

**13.2. Reading of Additional By-laws**

Moved By: Councillor Garcia

Seconded By: Councillor Harris

That the following additional by-laws be read a first time, considered and passed; and

That they be signed and executed by the Mayor and the City Clerk.

By-law 2016-41 A By-law to authorize an Agreement with BFL Canada Risk and Insurance Services Inc.

(One reading – with respect to 2016 -2017 insurance program for the Corporation of the City of St. Catharines. General Committee, February 29, 2016, Item No. 3.3.) File No: 10.53.1

**Carried**

**14. Agencies, Boards, Committee Reports**

There were none this evening.

**15. Adjournment and Reconvene**

Moved By: Councillor Bellows  
Seconded By: Councillor Harris

There being no further items of business, the meeting of March 8, 2016 was adjourned at 9:29 p.m.

**Carried**

Certified Correct:

Confirmed by:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

### Estimated Grant Costs for 51 Lake and 136 James Streets

Note: Table excludes Municipal Planning Fee Rebate as there is no Regional matching program.

Grants	2014 TIG (45% over 10 years)		2016 Brownfield TIG (80% over 10 years)	
<b>51 Lake Street</b>	<b>City Funding</b>	<b>Regional Funding</b>	<b>City Funding</b>	<b>Regional Funding</b>
Tax Increment Grant (TIG)	\$284,364	\$293,564	\$432,936	\$521,892
BTA	0	0	\$11,058	\$12,137
Residential Grant	\$125,000	\$125,000	\$125,000	\$125,000
<b>TOTAL</b>	<b>\$409,364</b>	<b>\$418,564</b>	<b>\$568,994</b>	<b>\$659,029</b>
<b>136 James Street</b>	<b>City Funding</b>	<b>Regional Funding</b>	<b>City Funding</b>	<b>Regional Funding</b>
Tax Increment Grant (TIG)	\$201,747	\$221,333	\$365,496	\$393,482
BTA	0	0	\$8,121	\$8,913
Residential Grant	\$125,000	\$125,000	\$125,000	\$125,000
<b>TOTAL</b>	<b>\$326,747</b>	<b>\$346,333</b>	<b>\$498,617</b>	<b>\$527,395</b>
<b>TOTAL (both properties)</b>	<b>\$736,111</b>	<b>\$764,897</b>	<b>\$1,067,611</b>	<b>\$1,186,424</b>
	<b>City</b>	<b>Region</b>		
<b>TOTAL FUNDING DIFFERENCE</b>		\$331,500	\$421,527	

**Development Charge exemptions and rebates:** Total exemption for both properties provided at issuance of building permits in 2015 was \$268,800. Total rebate for meeting Smart Growth in 2018 was \$268,800. Total of all development charge reductions/exemptions is \$537,600.



## Corporate Report

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**Report from** Planning and Building Services, Planning Services

**Date of Report:** January 18, 2016

**Date of Meeting:** February 22, 2016

**Report Number:** PBS-054-2016

**File:** 60.32.99

**Subject:** Community Improvement Plan – Request for Approval of Applications for:  
Tax Increment Finance Program (TIF)

- 155 Ontario Street and 4, 6, 10 Adams Street
- 19 Beard Place
- 60 Canterbury Drive
- 271 Merritt Street

Brownfield Tax Assistance Program

- 282-285 Ontario Street and 10 Pleasant Avenue

Expanded Incentive under 2004 Plan

- 51 Lake Street
- 136 James Street

## Recommendation

That Council approve the application for a Tax Increment Finance incentive under the 2015CIP, equivalent to a 45% tax rebate over a 10-year time period, for the application for 155 Ontario Street and 4, 6, 10 Adams Street; and

That Council approve the application for a Tax Increment Finance incentive under the 2015CIP, equivalent to a 45% tax rebate over a 10-year time period, for the application for 271 Merritt Street; and

That Council approve the application for a Brownfield Tax Assistance incentive under the 2015CIP, equivalent to a 100% tax rebate over a three-year time period, for each of 282 Ontario Street, 285 Ontario Street, and 10 Pleasant Avenue; and

That applications for Tax Increment Finance under the 2015CIP pertaining to 60 Canterbury Drive and 19 Beard Place not be approved; and

That the request to shift CIP incentives under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly; and

Further, that the base amount of the funding model for the CIP program be amended, beginning in 2017, to sustain adequate funding of existing commitments made under the 2004 CIP, as well as funding to support approval of projects under the 2015CIP as recommended in this report. FORTHWITH

## **Summary**

The City has had a Community Improvement Plan (CIP) since 2004. A total of 86 projects were approved for municipal financial incentives under this CIP. To satisfy all remaining financial incentive commitments made under this Plan, the municipality is required to allocate an additional \$6,935,000 in future municipal budgets.

To date, five applications have been submitted for consideration of incentive approvals, for a total of seven projects, under the City's new CIP (2015CIP) Tax Increment Finance (TIF) Program and the Brownfield Tax Assistance (BTA) Program. A request has also been made for changing incentives previously granted under the 2004 CIP. The total estimated value of all incentives requested is \$5,454,820. If approved, this amount would be required to be set out in future municipal budgets over the next 10 to 20 years and is over and above the allocation required to satisfy existing commitments approved under the 2004 CIP.

This report outlines existing commitments made under the 2004 CIP and addresses the evaluation and budget implications of new TIF and BTA applications received under the 2015CIP, as well as the request for a change in incentives under the former 2004 CIP for two development sites.

## **Background**

Provincial legislation enables local municipalities to adopt Community Improvement Plans (CIP) to enable municipalities to offer financial incentives to the private sector to stimulate investment in projects that support municipal community renewal objectives and strategies. More specifically, the incentives are intended to help offset a portion of costs incurred by the private sector for projects related to redevelopment, reuse, and rehabilitation of the built environment, and brownfield remediation.

### **Original CIP (2004)**

The City first adopted a CIP in 2004, with a 10-year time plan horizon. It expired at the end of 2014. The 2004 CIP offered seven financial incentive programs. Four of the programs offered a one-time grant, and three provided a longer term tax based incentive.

Under the 2004 CIP, a total of 86 projects were approved by City Council for financial incentives. The total value of incentives committed by the City under those approvals was \$13,135,000. Between 2004 and 2015, approximately \$6,200,000 has been allocated in municipal budgets for funding the incentive approvals granted, and 37% of this allocation has been disbursed to date. An estimated additional \$6,935,000 is required to be allocated in future municipal budgets to satisfy all of the existing funding commitments approved under 2004 CIP programs. This will extend for approximately 12 years to 2028.

The 86 projects approved through the 2004 CIP represent the creation of over 900 new residential dwelling units and an estimated increase of \$150,000,000 in property tax assessment.

## Revised 2015CIP

In advance of the CIP expiring at the end of 2014, the City, in 2013, undertook an extensive review of the CIP. This review resulted in the preparation of the 2015CIP, which was formally approved by Council on November 17, 2014. It offers the following programs:

1. Façade Improvement Program (FIP) and Residential / Office Conversion Program  
A one-time grant is given after project completion. The Director of Planning and Building Services has been given approval authority under these programs. There is an allocation of \$100,000 in the proposed 2016 municipal budget to fund these programs.
2. Tax Increment Finance (TIF) Program  
This program provides an annual rebate of property taxes paid on a property to offset a portion of costs incurred for soil remediation and/or redevelopment projects.

The value of the rebate is based on the increase in property tax assessment resulting from the completion of the project. For redevelopment projects, the value of the rebate is 45% of the increase in property taxes generated by the project, or the eligible project costs incurred, whichever is less. The rebate is given annually for a period of 10 years after project completion

For redevelopment projects that also involve soil remediation, the value of the rebate is 80% of the increase in property taxes generated by the project, or eligible project costs incurred, whichever is less, and the rebate is given annually for a period of 10 years after project completion.

The program is based on a competitive application process, with each application evaluated based on a weighted criteria ranking system to determine priority consideration for approval. The evaluation criteria and weighted ranking system is set out in Appendix 1.

The program is available to all properties within the City's urban area. However, one of the components of the program evaluation criteria gives a higher points ranking to properties located in Priority Neighbourhoods and within designated Intensification Areas as established in the City's Official Plan (Appendix 2).

Although the incentive is given for a 10-year period, the timeline to allocate monies in the municipal budget to fund the incentive is typically spread out over a much longer time frame. Approved projects must enter into a TIF Agreement with the municipality prior to project commencement and then have three years to complete the project. Within two years of completing the project, the applicants must request commencement of the incentive rebate. Effectively, the tax rebate may not be commenced for a period of up to five years after actual project completion.



Given the long term nature of the tax based incentives, the allocation of monies in the municipal budget directed towards paying the incentive is spread out over an extended period of time, typically 10 to 20 years.

### 3. Brownfield Tax Assistance (BTA) Program

This program provides an annual rebate of property taxes paid on a property to offset costs incurred for soil remediation projects. The rebate is equal to 100% of annual taxes paid on the property, or eligible project costs incurred, whichever is less, and is provided annually for a maximum period of three years.

This program is only available to properties located in Priority Neighbourhoods (Appendix 2).

The municipality began accepting applications under the new 2015CIP on October 30, 2015. To date, four TIF applications and one BTA application have been submitted for consideration of incentive approvals for a total of seven projects.

Combined, the requested TIF projects represent the generation of 675 new residential dwelling units and approximately 125 new permanent job opportunities, the majority of which are in the Downtown.

If all TIF and BTA applications were approved, the total value of incentives that would be granted by the City is estimated at \$5,087,320. The estimated increase in property tax assessment generated by the proposed projects is \$168,176,000, and will result in an increase of slightly over \$1,000,000 in annual City property taxes levied once projects are completed.

This report addresses the evaluation and budget implications of the TIF and BTA applications submitted under the new 2015CIP.

This report also addresses a request to shift an existing approved incentive granted under the former 2004 CIP. This request pertains to the redevelopment projects underway at 51 Lake Street and 136 James Street in the Downtown area. The total value of the requested incentive shift is \$367,500.

## **Report**

### **2015CIP**

#### **Applications Received**

##### **TIF Program**

Four TIF applications have been submitted for the following properties (Appendix 3 - location map):

- 155 Ontario Street and 4, 6 and 10 Adams Street
- 19 Beard Place
- 60 Canterbury Drive
- 271 Merritt Street

## **BTA Program**

One BTA application has been submitted for brownfield properties at 282, 285 Ontario Street and 10 Pleasant Avenue. (See Appendix 4 - location map).

## **Application Evaluation**

Each of the new proposed projects has been evaluated for the following:

- satisfaction of complete application requirements;
- satisfaction of program criteria in the approved 2015CIP;
- consideration of community renewal goals, objectives and growth strategies established in the Official Plan and the Corporate Strategic Plan;
- determination of the value of the financial incentive requested for each project.

Appendix 5 provides a summary of the project description, evaluation of each project and the estimated value of the incentive requested for each project. Based on the competitive priority evaluation criteria of the TIF program (Appendix 1), the proposed TIF projects are addressed in Appendix 5 in descending order of priority ranking for approval.

Appendix 6 provides a summary of the estimated annual and total value of incentives requested by each project.

The estimated incentive values stated in the appendices are only estimates and are subject to change depending on actual detailed project costs incurred, annual property taxes levied at time of project commencement and supplementary (actual) MPAC post development property tax assessments required after project completions.

## **Summary**

### **TIF Applications**

Based on project evaluations, all the TIF applications satisfy program criteria to be eligible for the incentive. Completion of these projects is estimated to generate an overall increase in property tax assessment of approximately \$168,176,000 and an increase of about \$1,000,000 in annual City property taxes levied once projects are completed.

If approved, the estimated total value of incentives that would be granted by the City for these projects is \$4,735,450 over a 10-year period, or \$473,545 annually.

### **BTA Applications**

Based on project evaluation, the BTA application for all three properties satisfies program criteria to be eligible for the incentive. If approved, the estimated annual and total three-year value of the incentive, by property, is as follows:

282 Ontario Street:	\$55,400 annually/\$166,200 over three years;
285 Ontario Street:	\$59,000 annually/\$177,000 over three years;
10 Pleasant Avenue:	\$2,890 annually/\$8,670 over three years.

The total incentive for all three properties combined would be \$117,300 annually and \$351,870 over three years.

### **Recommendation for Incentive Approvals**

All applications submitted for the TIF and BTA programs under the 2015CIP represent worthwhile projects for municipal community renewal and growth.

Approval of all applications would require that an estimated total of \$5,087,320 be allocated in future municipal budgets to fund these projects.

In recognition that the City's Operating Budget cannot sustain overall financial support for all applications for funding, the 2015CIP introduced a competitive application ranking system for TIF applications (Appendix 1) to address priority ranking for consideration of approval.

Certain stakeholders recommended that applications meeting a certain threshold of points awarded under the ranking system should automatically be recommended for approval. However, in essence, this discredits the purpose of the program to provide a priority based evaluation system in relation to the funding model to support the continuance of the CIP program.

In Council approving this priority based system, and in relation to the funding model to support new projects, it was recognized that certain applications may be recommended for approval and others may not.

The evaluation of applications is set out in Appendix 5. Based on this competitive ranking system, and in consideration of the Corporate Strategic Plan, the Official Plan, overall municipal goals for community renewal, growth strategies, and objectives, staff provide the following recommendations for priority approval of applications received under the 2015CIP:

1. 155 Ontario Street (including 4,6,10 Adams Streets);
2. 282-285 Ontario Street/10 Pleasant Avenue;
3. 271 Merritt Street.

Combined, these projects represent the generation of 604 new residential dwelling units, the creation of approximately 125 new permanent job opportunities, an estimated increase of \$152,181,908 in property tax assessment, and \$951,400 in annual property taxes paid to the City upon the completion of the projects.

### **Incentive Request Outside of the 2015CIP Program - 51 Lake Street and 136 James Street**

The City has received a request to shift an existing approved incentive granted under the former 2004 CIP. This request has been made for the redevelopment projects currently underway at 51 Lake Street and 136 James Street (Appendix 7).

On July 7, 2014, the applicant received approval for incentives under the 2004 CIP for redevelopment projects at 51 Lake Street and 136 James Street. Approval was granted under the Tax Increment Grant (TIG) program which provides a 45% tax rebate incentive over 10 years. Approval was also given for a grant under the Residential Construction Program and the refund of application and permit fees under the Municipal Application and Permit Fees Refund Program.

After approval of the incentive, it was discovered that additional project costs for soil remediation would be incurred on both sites to address contaminants that were previously undetected. This has triggered the request to move, retroactively, from the TIG program to the Brownfield Tax Increment Grant (BTIG) program and the BFTA program under the 2004 CIP. The BTIG program provides an 80% tax rebate for redevelopment projects that involve remediation, for a period of 10 years, and the BFTA program provides a 100% tax rebate for soil remediation for a maximum period of three years during remediation.

The applicant has stated that had the property owners been aware of the soil contamination on the subject properties at the time of their original application under the 2004 CIP, they would have applied for the BTIG and BFTA at that time, rather than the TIG.

The following provides a summary of CIP incentives previously approved and the incentives now requested.

- 51 Lake Street  
Construction of 67 residential units

2004 CIP Approvals		Request	
TIG (ten years)	\$248,364	BTIG (ten years)	\$432,936
Residential Construction	\$125,000	Residential Construction	\$125,000
Municipal Fee Rebate	\$ 88,015	Municipal Fee	\$ 88,015
		BTFA (maximum 3 years)	\$ 11,058
Total	\$461,379		\$657,009
Total Increase Requested			\$195,630
Approval under the BTIG and BFTA programs would represent an increase in the total value of incentive provided to the owners of approximately \$195,630 or \$19,563 annually.			

- 136 James Street  
Construction of 53 residential units

2004 CIP Approvals		Request	
TIG (ten years)	\$201,747	BTIG (ten years)	\$365,496
Residential Construction	\$125,000	Residential Construction	\$125,000
Municipal Fee Rebate	\$ 59,117	Municipal Fee	\$ 59,117
		BTFA (maximum 3 years)	\$ 8,121
Total	\$385,864		\$557,734
Total Increase Requested			\$171,870
Approval under the BTIG and BFTA programs would represent an increase in the total value of incentive provided to the owners of approximately \$171,870 or \$17,187 annually.			

The specific reason for the requested shift in the incentives is to recover costs related to unforeseen required soil remediation works. It must be acknowledged that evidence of contamination did not surface until the process for obtaining Records of Site Condition were underway. In order to proceed with the projects, brownfield remedial works in the amounts of \$1,363,016 for 51 Lake Street and \$835,765 for 136 James Street were required to be undertaken. As such, additional costs have been incurred that otherwise were not contemplated during Council deliberation of the original CIP requests for these two projects.

Given the additional costs that have been incurred to reach project completion, it is altogether prudent for Council to consider the approval of the applicant's request to transfer the TIG to that of a Brownfield TIG and also to consider approval of the Brownfield Tax Assistance program.

The premise of CIP is to offer incentives to stimulate private investment in 'new' projects, and one of the foundations of the program is that incentives are not provided retroactively for projects that already are commenced or are completed. The developments at 51 Lake Street and 136 James Street will be complete in 2016, and investments already have been made. Supporting these requests may be precedent setting and open the door for other projects previously approved for CIP funding that are complete or under construction to make similar requests.

The granting of this request may also compromise consideration of incentive approvals for other worthwhile projects that have submitted applications under the 2015CIP. Approval of the applicants request further impacts the amount of monies that Council would need to allocate for the 2016 CIP budget and for future years. In fact, to approve this request, Council would need to increase the funding by \$36,750 above recommended 2017 amounts for the first three years and then by \$17,751 for the remaining seven years.

These requested additional funds need to be balanced against those projects that fulfill the goals of the Strategic Plan and the Official Plan of achieving a vibrant Downtown and Urban Growth Centre where higher density of development is to be achieved.

Staff does not support the request from the applicant for expanding existing approved incentives granted under the former 2004 CIP for the properties at 51 Lake Street and 136 James Street for the reasons stated above.

## **Financial Implications**

The 2016 municipal budget establishes a funding model for financing commitments made under the CIP program. This funding model is to be carried over in subsequent future budgets to satisfy the long term nature of the incentive rebates.

If approving the three projects recommended by staff and maintaining the base amount currently established in the funding model, the budget reserve to fund CIP projects would drop to a negative reserve scenario in the year 2025 and three years before existing approvals under the 2004 CIP are complete.

In order to maintain an adequate base amount in the funding model to sustain funding of projects approved under the 2004 CIP and the three projects recommended under the 2015CIP, it would require an additional allocation of \$75,000 to the base amount beginning in 2017 and carried over into future budgets.

Appendix 8 identifies the implications of approving the three recommended projects under the 2015CIP without increasing the base amount of the funding model and also with an increase of \$75,000 to the base amount of the funding model beginning in 2017.

## **Relationship to Strategic Plan**

The recommendations of this report support Strategic Plan Goal 1 to attract private investment and directly relate to Action 1.2, 1.3 and 1.4: to prioritize redevelopment initiatives consistent with provincial planning legislation and the City's Official Plan to intensify mixed-use residential developments and ultimately enhance the property tax base and support job creation; to focus on the redevelopment of the former GM lands and Hotel Dieu site on Ontario Street; and to develop funding formula for the Community Improvement Program and brownfield improvement programs that support the goal of community redevelopment with the ability for the City to manage financial impacts of the funding program on an annual basis.

This report also relates to Strategic Plan Goal 2, Action 2.5 in addressing potential long term financial commitments and multi-year budgeting scenarios, and Strategic Plan Goal 5, Action 5.1 and 5.2 supporting connectivity between people, places and neighbourhoods, and redevelopment of properties to enhance the livability of neighbourhoods.

The recommendations of this report support the provision of municipal financial incentives to support redevelopment projects, and given the significant value of proposed incentives, may compromise Strategic Plan Goal 2, Action 2.6 to work towards achieving a budgetary tax rate increase at or below the rate of inflation by 2018.

## **Conclusion**

The 2004 CIP is seen as a great success in stimulating private sector investment in support of municipal community renewal objectives and strategies. Funding committed under the 2004 CIP has resulted in over 900 new residential dwelling units created and an estimated increase in property tax assessment of \$150,000,000.

Recommended projects for approval under the 2015CIP include the redevelopment of 155 Ontario Street and 4, 6 and 10 Adams Street, a significant property for Downtown and community renewal; the soil remediation of lands at 282-285 Ontario Street and 10 Pleasant Avenue, the largest brownfield site in the municipality; and the continued redevelopment of the former brownfield site at 271 Merritt Street, representing continued renewal at the Merritt Street / Glendale Avenue node. Combined, these projects represent the generation of 604 new residential dwelling units, the creation of approximately 125 new permanent job opportunities, an estimated increase of \$152,181,908 in property tax assessment, and \$951,400 in annual property taxes paid to the City upon the completion of the projects.

The approval of these projects requires an additional budget allocation of \$75,000 to the base amount of the CIP funding model, beginning in 2017 and in subsequent future budgets.

## **Notification**

It is in order to notify each of the applicants of the outcome of this Council decision.

### **Prepared by:**

Bruce Bellows, Policy Planner

### **Submitted and Approved by:**

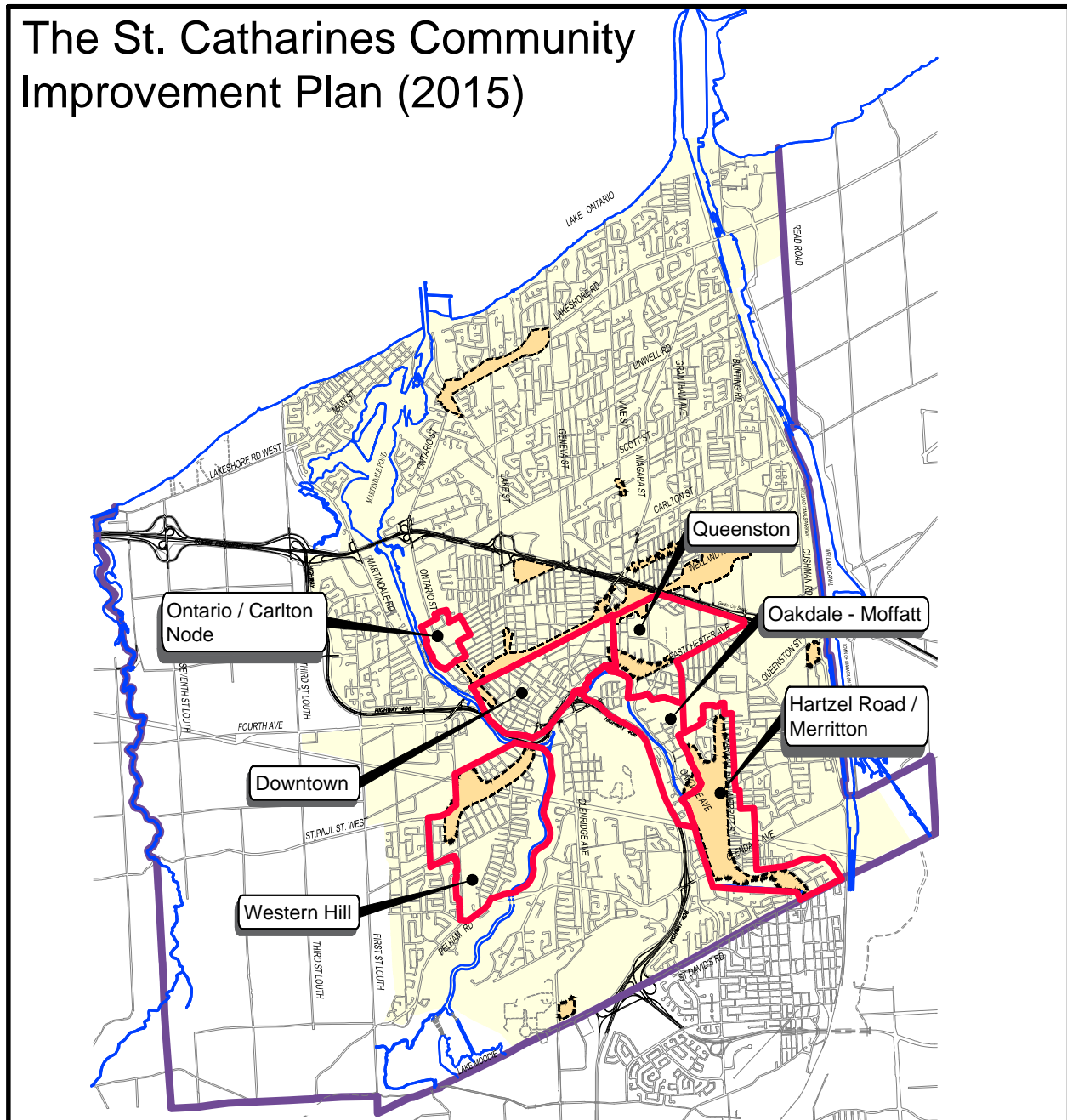
James N. Riddell, M.P.L., MCIP, RPP  
Director of Planning and Building Services

### TIF Application Priority Evaluation Criteria





VALUATION RANKING SYSTEM	Weight (points)
<b>1. Redevelopment Projects</b>	20
<b>2. Redevelopment Projects involving Remediation</b>	
- estimated cost of <i>remediation</i> in relation to other projects:	
- highest	30
- 2 <sup>nd</sup> highest	25
- 3 <sup>rd</sup> highest	20
<b>3. Lot Size</b> - 1 hectare or less	2
- greater than 1 hectare	4
<b>4. Project Location</b>	
- within the Downtown Priority Neighbourhood	15
- within other Priority Neighbourhoods	10
- within an Intensification Area outside a Priority Neighbourhood	5
<b>5. Financial Impact</b>	
- net benefit on weighted assessment in relation to other projects	
- highest	5
- 2 <sup>nd</sup> highest	3
- 3 <sup>rd</sup> highest	1
<b>6. Density Generation</b> (people and/or jobs per hectare) in relation to other projects	
- highest	10
- 2 <sup>nd</sup> highest	6
- 3 <sup>rd</sup> highest	3
<b>7. Value Added</b>	
- urban design features (façade, landscaping, public realm, etc)	2.5
- sustainability (LEEDS, energy efficiency, etc.)	2.5
- accessibility ( universal access, barrier free) in accordance with Facility Accessibility Design Standards (FADS)	2.5
- heritage restoration/preservation	2.5
<b>** For criteria 1 to 6, points are awarded on an all or nothing basis. For criteria 7, points may be awarded on a sliding scale up to a maximum of 10. **</b>	



# The St. Catharines Community Improvement Plan (2015)



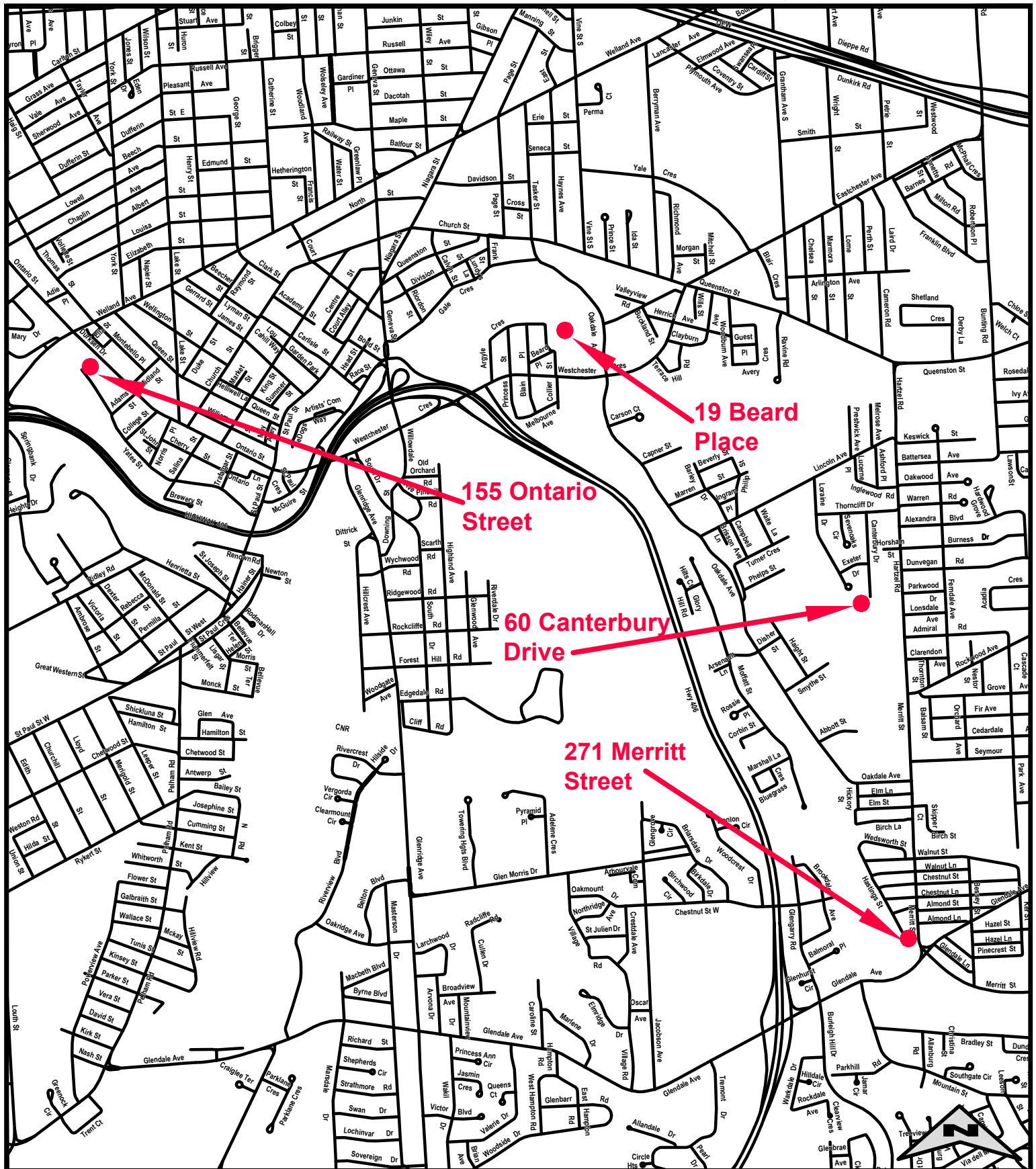
## Community Improvement Plan (2015)

- |   |   |
|---|---|
|  Urban Area Community Improvement Project Area (Urban Area CIPA) |  Intensification Areas |
|  Priority Neighbourhoods   |  Municipal Boundary    |
| Downtown  | Oakdale - Moffatt   |
| Queenston   | Western Hill  |
| Hartzel Road / Merritton  | Ontario / Carlton Node  |

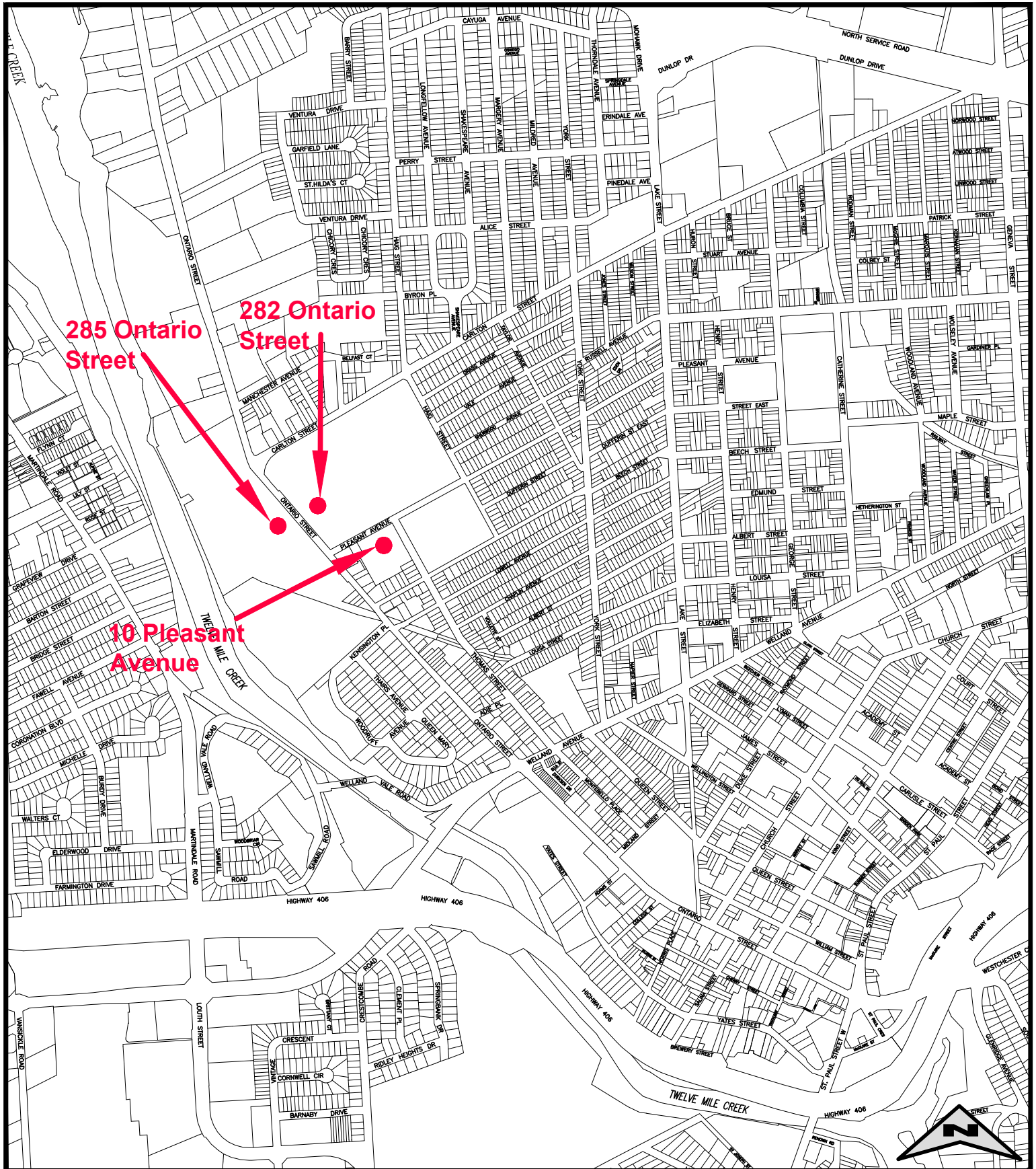
City of St. Catharines  
Planning and Development Services



## Applications Submitted for the Tax Increment Finance (TIF) Program



## Applications Submitted for the Brownfield Tax Assistance (BTA) Program







[illegible]

Application Location	Program Type	Property Size	Project Details	Estimated Project Costs	Existing Assessment	Estimated Assessment Increase	Estimated Annual City Tax Increase	Eligible Incentive (45% of annual tax)	Total Incentive Value (over 10 years)
19 Beard Place	TIF	1.4 ha	5 storey 41 unit apartment condominium building	\$9,470,000	\$569,000	\$9,006,000	\$56,000	\$25,200	\$252,000
Evaluation									
	Yes	No	Comments						
Complete Application	X								
Priority Neighbourhood	X		Oakdale-Moffatt						
Intensification Area		X							
Density Generation	X		Density - 100 units/hectare						
Job Creation		X							
People (jobs per ha) Density			200						
Redevelopment	X								
Remediation		X							
Financial Benefit (Rank)			3 of 4						
Value Added									
Evaluation Score (Based on weighted ranking system)	41.5								
COMMENTS:	Supports Corporate Strategic Plan Goal 1, Action 1.4, Goal 5.1, 5.2; Estimated project costs greater than potential incentive value.								
Total Incentive Value	\$252,000								
Annual Payment Incentive	\$25,200								



Application Location	Program Type	Property Size	Project Details	Estimated Project Costs	Existing Annual City Tax	Annual Eligible Incentive	Total Incentive Value (over 3 years)
282 Ontario Street ( former General Motors site)	BTA	10.5 ha	soil remediation	\$1,190,000	\$55,400	\$55,400	\$166,000
<b>Evaluation</b>							
	<b>Yes</b>	<b>No</b>	<b>Comments</b>				
Complete Application	X						
Priority Neighbourhood	X		Ontario/Carlton Node				
Intensification Area		X					
COMMENTS:	Former GM lands represents largest brownfield remediation opportunity in the municipality in key central location; Represents remediation to a mixed use commercial/residential standard, supporting future large scale redevelopment opportunities with close proximity to Downtown; Supports Corporate Strategic Plan Goal 1, Action 1.2, 1.3, 1.4, Goal 5, Action 5.1, 5.2; Estimated project costs greater than potential incentive value.						
Total Incentive Value	\$166,000						
Annual Payment Incentive	\$55,000						



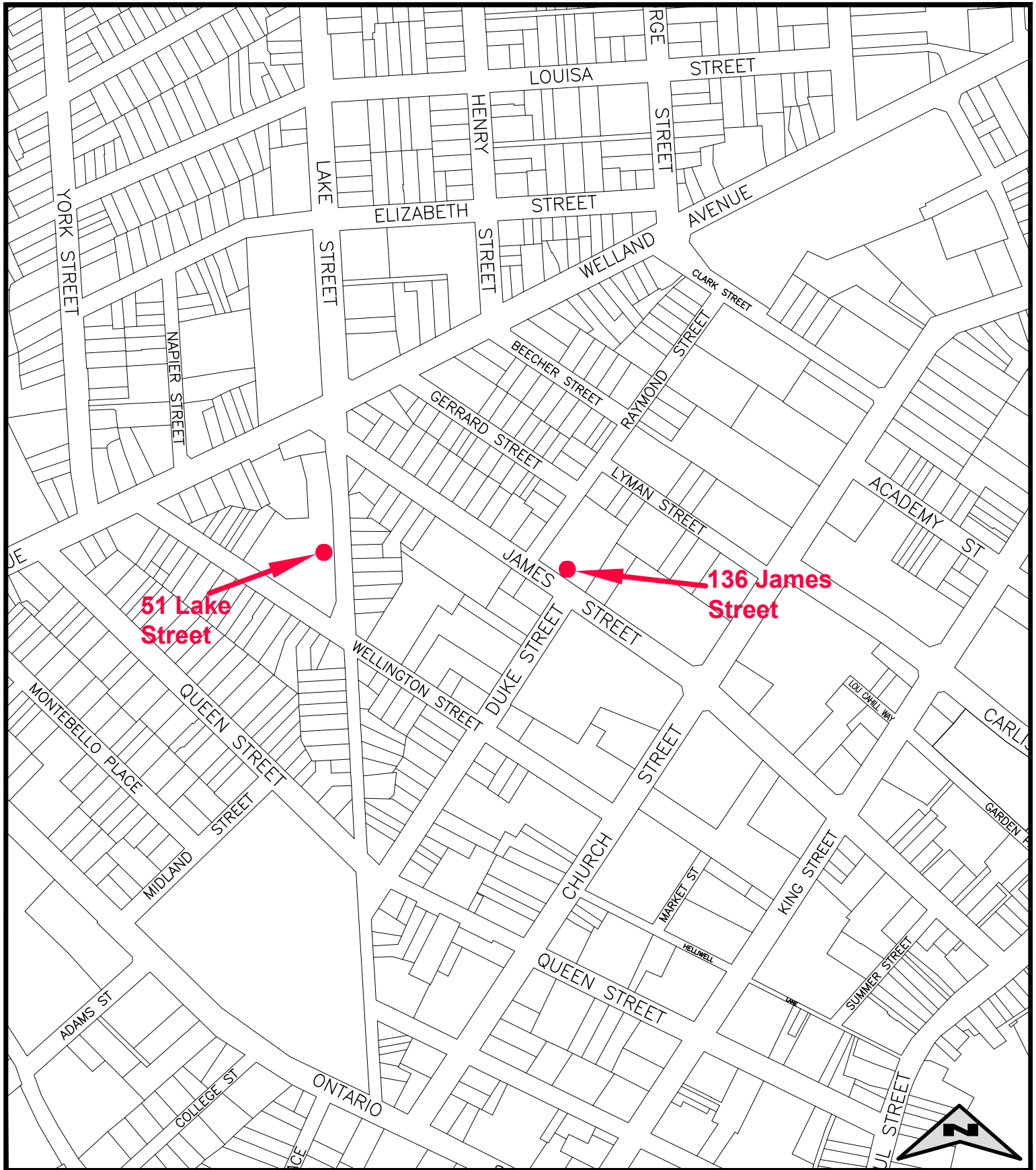




**Estimated Value of Tax Rebate Incentives Requested**

Project	Tax Rebate Incentive (\$)			Meets Program Evaluation For Approval (\$)	
	Annual For 3 years	Annual For 10 years	TOTAL	Yes	No
<b>TIF APPLICATIONS</b>					
155 Ontario Street		400,000	4,000,000	4,000,000	
19 Beard Place		25,200	252,000	252,000	
271 Merritt Street		27,600	276,000	276,000	
60 Canterbury Drive		20,745	207,450	207,450	
<b>total</b>		<b>473,545</b>	<b>4,735,450</b>	<b>4,735,450</b>	
<b>BTA APPLICATIONS</b>					
282 Ontario Street	55,400		166,200	166,200	
285 Ontario Street	59,000		177,000	177,000	
10 Pleasant Avenue	2,890		8,670	8,670	
<b>total</b>	<b>117,290</b>		<b>351,870</b>	<b>351,870</b>	
<b>2004 CIP REQUEST</b>					
51 Lake Street	3,686	18,457	195,630		195,630
136 James Street	2,707	16,374	171,870		171,870
<b>total</b>	<b>6,393</b>	<b>33,681</b>	<b>367,500</b>		<b>367,500</b>
<b>TOTAL</b>	<b>123,683</b>	<b>507,226</b>	<b>5,454,820</b>	<b>5,087,320</b>	<b>367,500</b>

Properties Subject to Request for Expanded Incentive Approval under the 2004 CIP



## City of St. Catharines Funding Proposal - CIP Reserve

Costing Scenario: **Staff Recommended Projects with no adjustment to Funding Model**

Financial Implications: The Financial Model is insufficient and the Reserve is depleted in 2025.  
The depletion of the reserve occurs three years before the existing approvals are completed

Year	Opening Reserve Balance	Annual Funding			Annual Payments	Ending Reserve Balance
		Base Amount	Growth Amount	Total Annual Budget		
2016	3,898,048	825,000	63,408	888,408	1,102,135	3,684,321
2017	3,684,321	825,000	104,047	929,047	1,155,574	3,457,794
2018	3,457,794	825,000	111,813	936,813	1,495,565	2,899,042
2019	2,899,042	825,000	127,300	952,300	1,260,511	2,590,831
2020	2,590,831	825,000	139,614	964,614	1,307,803	2,247,642
2021	2,247,642	825,000	235,053	1,060,053	1,610,674	1,697,021
2022	1,697,021	825,000	241,297	1,066,297	1,566,948	1,196,370
2023	1,196,370	825,000	240,448	1,065,448	1,522,581	739,237
2024	739,237	825,000	247,918	1,072,918	1,544,766	267,389
2025	267,389	825,000	228,245	1,053,245	1,566,951	(246,317)
2026	(246,317)	825,000	214,745	1,039,745	1,413,044	(619,616)
2027	(619,616)	825,000	170,390	995,390	1,096,377	(720,603)
2028	(720,603)	825,000	177,861	1,002,861	1,156,140	(873,882)
2029	(873,882)	825,000	162,373	987,373	965,997	(852,506)
2030	(852,506)	825,000	148,763	973,763	878,604	(757,347)
2031	(757,347)	825,000	52,293	877,293	418,341	(298,395)
2032	(298,395)	825,000	44,822	869,822	358,578	212,849
2033	212,849	825,000	37,352	862,352	298,815	776,386

2025 - projected year when base funding is not sufficient to provide for financial obligations of the program

2028 - projected last year of payments relating to existing (2004 CIP) approvals

## City of St. Catharines Funding Proposal - CIP Reserve

Costing Scenario: **Staff recommended projects and Amend Funding Model**

Financial Implications: An Increase to the Base Funding of \$75,000 annually is sufficient to fund the approvals

Year	Opening Reserve Balance	Annual Funding			Annual Payments	Ending Reserve Balance
		Base Amount	Growth Amount	Total Annual Budget		
2016	3,898,048	825,000	63,408	888,408	1,102,135	3,684,321
2017	3,684,321	900,000	104,047	1,004,047	1,155,574	3,532,794
2018	3,532,794	900,000	111,813	1,011,813	1,495,565	3,049,042
2019	3,049,042	900,000	127,300	1,027,300	1,260,511	2,815,831
2020	2,815,831	900,000	139,614	1,039,614	1,307,803	2,547,642
2021	2,547,642	900,000	235,053	1,135,053	1,610,674	2,072,021
2022	2,072,021	900,000	241,297	1,141,297	1,566,948	1,646,370
2023	1,646,370	900,000	240,448	1,140,448	1,522,581	1,264,237
2024	1,264,237	900,000	247,918	1,147,918	1,544,766	867,389
2025	867,389	900,000	228,245	1,128,245	1,566,951	428,683
2026	428,683	900,000	214,745	1,114,745	1,413,044	130,384
2027	130,384	900,000	170,390	1,070,390	1,096,377	104,397
2028	104,397	900,000	177,861	1,077,861	1,156,140	26,118
2029	26,118	900,000	162,373	1,062,373	965,997	122,494
2030	122,494	900,000	148,763	1,048,763	878,604	292,653
2031	292,653	900,000	52,293	952,293	418,341	826,605
2032	826,605	900,000	44,822	944,822	358,578	1,412,849
2033	1,412,849	900,000	37,352	937,352	298,815	2,051,386

2028 - projected last year of payments relating to existing (2004 CIP) approvals



The Corporation of the City of St. Catharines  
**REGULAR COUNCIL MINUTES**  
Monday, March 07, 2016  
(2016 Operating Budget)

**Present:** Mayor Walter Sendzik  
Councillors Sandie Bellows, Mike Britton, N. Carlos Garcia,  
Matt Harris, David A. Haywood, Joseph Kushner, Bill Phillips,  
Mathew Siscoe, Sal Sorrento, Jennifer Stevens, and Bruce Williamson

**Absent:** Councillor Mark Elliott

**Officials Present:** Dan Carnegie, Chief Administrative Officer  
Shelley Chemnitz, Commissioner of Corporate Services  
Bryan Shynal, Commissioner of Operations  
Nicole Auty, Director of Legal and Clerks Services/City Solicitor  
Jim Riddell, Director of Planning and Building Services  
Kristine Douglas, Director of Financial Management Services  
Jeanette Pillitteri, Director of Corporate Support Services  
Dan Dillon, Director of Transportation and Environmental Services  
David Oakes, Director of Recreation and Community Services  
David Wood, Director of Fire and Emergency Management Services  
Steve Solski, Executive Director of FirstOntario Performing Arts Centre  
Bonnie Nistico-Dunk, City Clerk  
Rebecca Alfieri, Council and Committee Coordinator

Mayor Sendzik took the chair and called the meeting to order in Council Chambers at 6:31 p.m.

**1. Presentations**

There were none this evening.

**2. Public Meetings Pursuant to Planning Act**

There were none this evening.

**3. Mayor's Report**

Mayor Sendzik presented a verbal report on matters of community interest.

The Mayor reviewed the process for the 2016 Operating Budget meeting this evening, and for tomorrow, if necessary.

#### **4. Adoption of the Agendas**

Moved By: Councillor Phillips  
Seconded By: Councillor Williamson

That Council adopt the agenda for the meeting of March 7, 2016, as presented.

**Carried**

#### **5. Declarations of Interest**

There were none declared.

#### **6. Adoption of the Minutes (Council and General Committee)**

##### **6.1. Regular Meeting of Council, [February 22, 2016](#)**

Moved By: Councillor Phillips  
Seconded By: Councillor Siscoe

That Council adopt the minutes of the Regular meeting of Council held on Monday, February 22, 2016.

**Carried**

##### **6.2. General Committee Meeting, [February 22, 2016](#)**

Moved By: Councillor Phillips  
Seconded By: Councillor Siscoe

That Council adopt the minutes of the General Committee meeting held on Monday, February 22, 2016.

**Carried**

#### **7. Delegations**

##### **7.1. Public Meeting (Pursuant to Notice By-law No. 2007-310, as Amended) 2016 Operating Budget (see [General Committee Agenda, March 7, 2016, Item 3.1](#))**

The Mayor advised that public notice had been published in accordance with the City's Notice By-law to consider the 2016 Operating Budget.

Shelley Chemnitz, Commissioner of Corporate Services, presented the 2016 Operating Budget.

Councillor Siscoe, Budget Standing Committee Chair, addressed Council to present the draft operating budget for 2016 as approved by the Budget Standing Committee.

The Mayor advised that those who had registered with the City Clerk in advance of the public meeting would be heard first. George Darte, Adam Bradley, and Kim Bauer registered to be heard. Their comments are summarized below:

- George Darte addressed Council with regards to reducing waste, relative to city services. Mr. Darte agreed to participate in budget meetings for next year.

- Adam Bradley addressed Council regarding his concern regarding the Fire Fighter's budget and the issues with the arbitration process. Mayor Sendzik encouraged Mr. Bradley to send his concerns to Council.
- Kim Bauer addressed Council to state that he feels the Budget Standing Committee is an excellent addition to the process. Mr. Bauer also provided input as it relates to reductions.

The Mayor asked if anyone else present this evening would like to speak. No one else wished to speak to the matter.

Ms. Chemnitz made closing comments.

*The public meeting was closed.*

Moved By: Councillor Stevens

Seconded By: Councillor Siscoe

That Council receive the presentation regarding the 2016 Operating Budget, and refer it to General Committee, Item No. 3.1, for consideration later in the evening.

**Motion to Refer Carried**

**8. Call for Notices of Motion**

- 8.1. Request for Reconsideration of a Previously Decided Motion  
Community Improvement Plan - Evaluation of New Applications and Municipal Budget Implications  
Re: 51 Lake Street and 136 James Street

Moved By: Councillor Stevens

That Council approve the reconsideration of the motion in the report from Planning and Building Services, Planning Services, respecting the Community Improvement Plan - Evaluation of New Applications and Municipal Budget Implications, dated January 18, 2016, Item 3.7 of the General Committee Minutes of February 29, 2015, being:

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly.

...

**Suspension of the Rules**

Moved By: Councillor Stevens

Seconded By: Councillor Kushner

That Council suspend the rules in accordance with the Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be considered at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Carried**

Council now voted on the request to reconsider the previously decided motion regarding the CIP incentive



pertaining to 51 Lake Street and 136 James Street.

**Motion to Reconsider Carried**

*Council now voted on the original motion.*

**Original Motion to not approve CIP Incentive**

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street not be approved unless CIP funding is increased by Council accordingly.

Yeas: Councillors Haywood, and Williamson

Nays: Councillors Bellows, Britton, Garcia, Harris, Kushner, Phillips, Siscoe, Sorrento, Stevens, and Mayor Sendzik

**Lost**

Moved By: Councillor Stevens

Seconded By: Councillor Sorrento

That Council move In-Camera for advice that is subject to solicitor-client privilege regarding questions pertaining to 51 Lake Street, and 136 James Street.

**Carried**

*Council recessed to In-Camera at 8:01 p.m. and reconvened at 8:08 p.m.*

*Following the In-Camera session, the new motion regarding approval of CIP Incentive pertaining to 51 Lake Street, and 136 James Street was now voted on.*

**New Motion regarding CIP Incentive pertaining to 51 Lake Street, and 136 James Street**

That the request to shift CIP incentive under the 2004 CIP pertaining to 51 Lake Street and 136 James Street be approved.

Yeas: Councillor Bellows, Britton, Garcia, Harris, Kushner, Phillips, Siscoe, Sorrento, Stevens, and Mayor Sendzik

Nays: Councillors Haywood, and Williamson

**Carried**

**8.2. Request for Reconsideration of a Previously Decided Motion  
Corporate Insurance Coverage - April 1, 2016 to July 1, 2017**

*Mayor Sendzik declared a Conflict of Interest (Pecuniary), as he has personal business with one of the insurance companies in the RFP, and left the Chair.  
Councillor Phillips took the chair.*

Councillor Kushner requested reconsideration of the motion regarding Item 3.3, and asked to go In-Camera.

Moved By: Councillor Kushner

Seconded By: Councillor Stevens

That Council move In-Camera for advice that is subject to solicitor-client privilege regarding questions pertaining to Item 3.3.

**Carried**

*Council recessed to In-Camera at 8:19 p.m. and reconvened at 8:34 p.m.*

*Following the In-Camera session, Councillor Kushner requested a motion to Suspend the Rules.*

## **Suspension of the Rules**

Moved By: Councillor Kushner

That Council suspend the rules in accordance with the Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be considered at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Carried**

Moved By: Councillor Sorrento

That Council reconsider the previously decided motion regarding Report Number FMS-059-2016, Corporate Insurance Coverage - April 1, 2016 to July 1, 2017, that was considered at the City Council meeting of February 29, 2016.

*Councillor Harris requested a recorded vote.*

Yeas: Councillors Bellows, Britton, Harris, Siscoe, and Sorrento

Nays: Councillors Garcia, Haywood, Kushner, Phillips, Stevens, and Williamson

**Motion to Reconsider Lost**

- 8.3. Request for Reconsideration of a Previously Decided Motion  
Community Improvement Plan - Evaluation of New Applications and Municipal  
Budget Implications  
Re: 19 Beard Place

*Councillor Siscoe declared a Conflict, as it relates to a business interest.*

Moved By: Councillor Bellows

That Council approve reconsideration of the motion in the report from Planning and Building Services, Planning Services, respecting Community Improvement Plan - Evaluation of New Applications and Municipal Budget Implications, dated January 18, 2016, Item 3.7 of the General Committee Minutes of February 29, 2015, being:

That applications for Tax Increment Finance under the 2015CIP pertaining to 19 Beard Place not be approved.

...

## **Suspension of the Rules**

Moved By: Councillor Bellows

That Council suspend the rules in accordance with Procedural By-law 2015-170, article A4, Suspension of Rules, to allow the motion to reconsider a previously decided motion to be put at the Regular meeting of March 7, 2016.

**Motion to Suspend Rules Lost**

**9. Motions**

There were none this evening.

**10. Resolve into General Committee**

Council recessed at 8:39 p.m. and General Committee convened. General Committee adjourned at 10:38 p.m.

**10.1. Adjournment of Meeting - March 7, 2016**

Moved By: Councillor Bellows

Seconded By: Councillor Harris

That this meeting of March 7, 2016, be adjourned and reconvened on Tuesday, March 8, 2016, at 6:30 p.m. in Council Chambers to complete the remainder of the items on the agenda.

**Carried**



The Corporation of the City of St. Catharines

REGULAR COUNCIL MINUTES

Tuesday, March 08, 2016

(2016 Operating Budget)

**10.2. Reconvene Meeting - March 8, 2016**

General Committee reconvened on Tuesday, March 8, 2016 at 6:31 p.m., and adjourned at 9:27 p.m. and City Council reconvene.

**Present:** Mayor Sendzik

Councillors Sandie Bellows, Mike Britton, N. Carlos Garcia, Matt Harris, David A. Haywood, Joseph Kushner, Bill Phillips, Mathew Siscoe, Sal Sorrento, Jennifer Stevens, and Bruce Williamson (arrived at 6:36 p.m.)

**Absent:** Councillor Mark Elliott

**Officials** Dan Carnegie, Chief Administrative Officer

**Present:** Shelley Chemnitz, Commissioner of Corporate Services  
Bryan Shynal, Commissioner of Operations  
Nicole Auty, Director of Legal and Clerks Services/City Solicitor  
Jim Riddell, Director of Planning and Building Services  
Kristine Douglas, Director of Financial Management Services  
Jeanette Pillitteri, Director of Corporate Support Services  
Dan Dillon, Director of Transportation and Environmental Services  
David Oakes, Director of Recreation and Community Services  
Dave Wood, Director of Fire and Emergency Management Services  
Steve Solski, Executive Director of FirstOntario Performing Arts Centre  
Bonnie Nistico-Dunk, City Clerk  
Rebecca Alfieri, Council and Committee Coordinator

**11. Motion Arising from In-Camera Session**

There was no scheduled In-Camera session this evening.

**12. Motion to Ratify Forthwith Recommendations**

Moved By: Councillor Siscoe

Seconded By: Councillor Phillips

That Council adopt those items approved FORTHWITH by the General Committee on Monday, March 7, 2016 and Tuesday, March 8, 2016.

**Carried**

**13. By-laws**

**13.1. Reading of the By-laws**

Moved By: Councillor Harris

Seconded By: Councillor Garcia

That the following by-laws be read a first time, considered and passed; and

That they be signed and executed by the Mayor and the City Clerk.

By-law 2016-40 A By-law to confirm the proceedings and decisions of the Council of The Corporation of the City of St. Catharines at its meeting held on the 7th and 8th day of March, 2016. (One reading – with respect to ratification and adoption of City Council Minutes of March 7 & 8, 2016 and General Committee Minutes of March 7 & 8, 2016.) File No: 10.12.1

**Carried**

**13.2. Reading of Additional By-laws**

Moved By: Councillor Garcia

Seconded By: Councillor Harris

That the following additional by-laws be read a first time, considered and passed; and

That they be signed and executed by the Mayor and the City Clerk.

By-law 2016-41 A By-law to authorize an Agreement with BFL Canada Risk and Insurance Services Inc.

(One reading – with respect to 2016 -2017 insurance program for the Corporation of the City of St. Catharines. General Committee, February 29, 2016, Item No. 3.3.) File No: 10.53.1

**Carried**

**14. Agencies, Boards, Committee Reports**

There were none this evening.

**15. Adjournment and Reconvene**

Moved By: Councillor Bellows  
Seconded By: Councillor Harris

There being no further items of business, the meeting of March 8, 2016 was adjourned at 9:29 p.m.

**Carried**

Certified Correct:

Confirmed by:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

### Estimated Grant Costs for 51 Lake and 136 James Streets

Note: Table excludes Municipal Planning Fee Rebate as there is no Regional matching program.

Grants	2014 TIG (45% over 10 years)		2016 Brownfield TIG (80% over 10 years)	
<b>51 Lake Street</b>	<b>City Funding</b>	<b>Regional Funding</b>	<b>City Funding</b>	<b>Regional Funding</b>
Tax Increment Grant (TIG)	\$284,364	\$293,564	\$432,936	\$521,892
BTA	0	0	\$11,058	\$12,137
Residential Grant	\$125,000	\$125,000	\$125,000	\$125,000
<b>TOTAL</b>	<b>\$409,364</b>	<b>\$418,564</b>	<b>\$568,994</b>	<b>\$659,029</b>
<b>136 James Street</b>	<b>City Funding</b>	<b>Regional Funding</b>	<b>City Funding</b>	<b>Regional Funding</b>
Tax Increment Grant (TIG)	\$201,747	\$221,333	\$365,496	\$393,482
BTA	0	0	\$8,121	\$8,913
Residential Grant	\$125,000	\$125,000	\$125,000	\$125,000
<b>TOTAL</b>	<b>\$326,747</b>	<b>\$346,333</b>	<b>\$498,617</b>	<b>\$527,395</b>
<b>TOTAL (both properties)</b>	<b>\$736,111</b>	<b>\$764,897</b>	<b>\$1,067,611</b>	<b>\$1,186,424</b>
	<b>City</b>		<b>Region</b>	
<b>TOTAL FUNDING DIFFERENCE</b>	<b>\$331,500</b>		<b>\$421,527</b>	

**Development Charge exemptions and rebates:** Total exemption for both properties provided at issuance of building permits in 2015 was \$268,800. Total rebate for meeting Smart Growth in 2018 was \$268,800. Total of all development charge reductions/exemptions is \$537,600.