

NIAGARA REGION INCENTIVES

COMMITTEE OF THE WHOLE
SEPTEMBER 5, 2019

EXISTING REGIONAL INCENTIVES

Most Regional incentive programs are legacy in nature
(began in 2002)

Put in place at a time when the Regional growth rate was
very low in order to attract investment and jobs

Region growth rate (population/jobs) has quadrupled from
2011 to 2016

Because the methodology was designed for a low growth
environment they now have become unsustainable

As such, we need to refocus programs to support current
needs

REFOCUS ON THE FUTURE

Current and future areas of need:

Affordable/Rental Housing

Brownfield Remediation

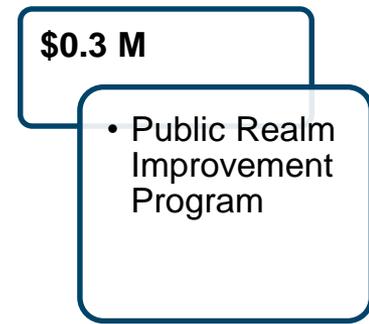
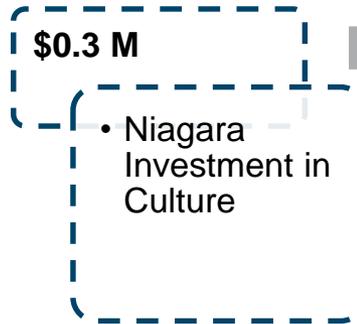
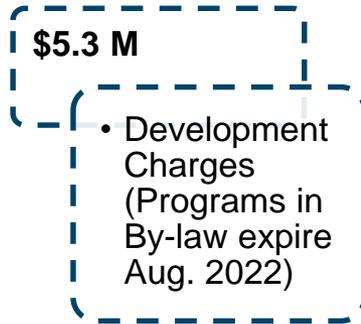
Employment Growth in key sectors

Quality of Life/Public Realm

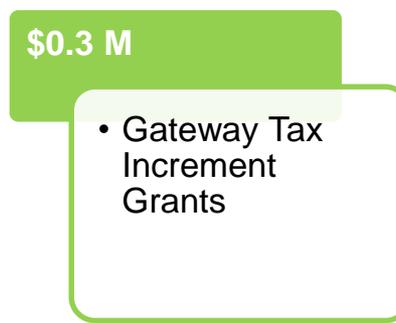
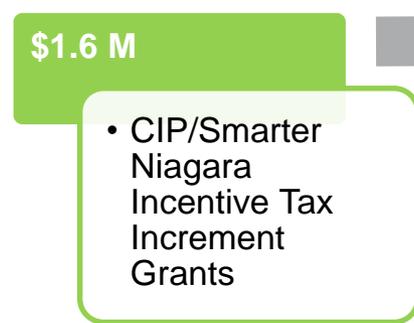
EXISTING REGIONAL INCENTIVES

2019 Budget = \$7.8M

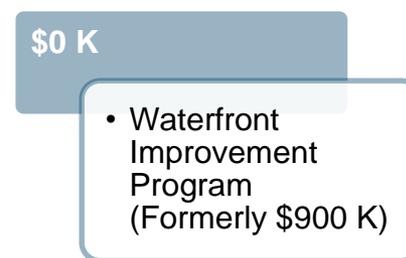
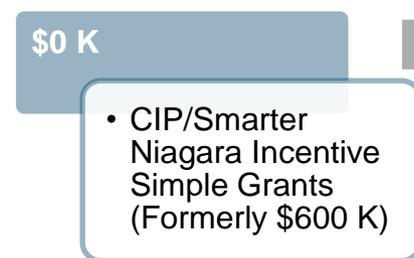
Base funding to commit annually
\$ 5.9 M



Base funding committed for multi-year agreements
\$1.9 M



No Base Funding
\$0



LAM Matching

EXISTING ANNUAL REQUIREMENTS

Development Charges

Discretionary programs “locked in” under the Regional DC By-Law – not best practice

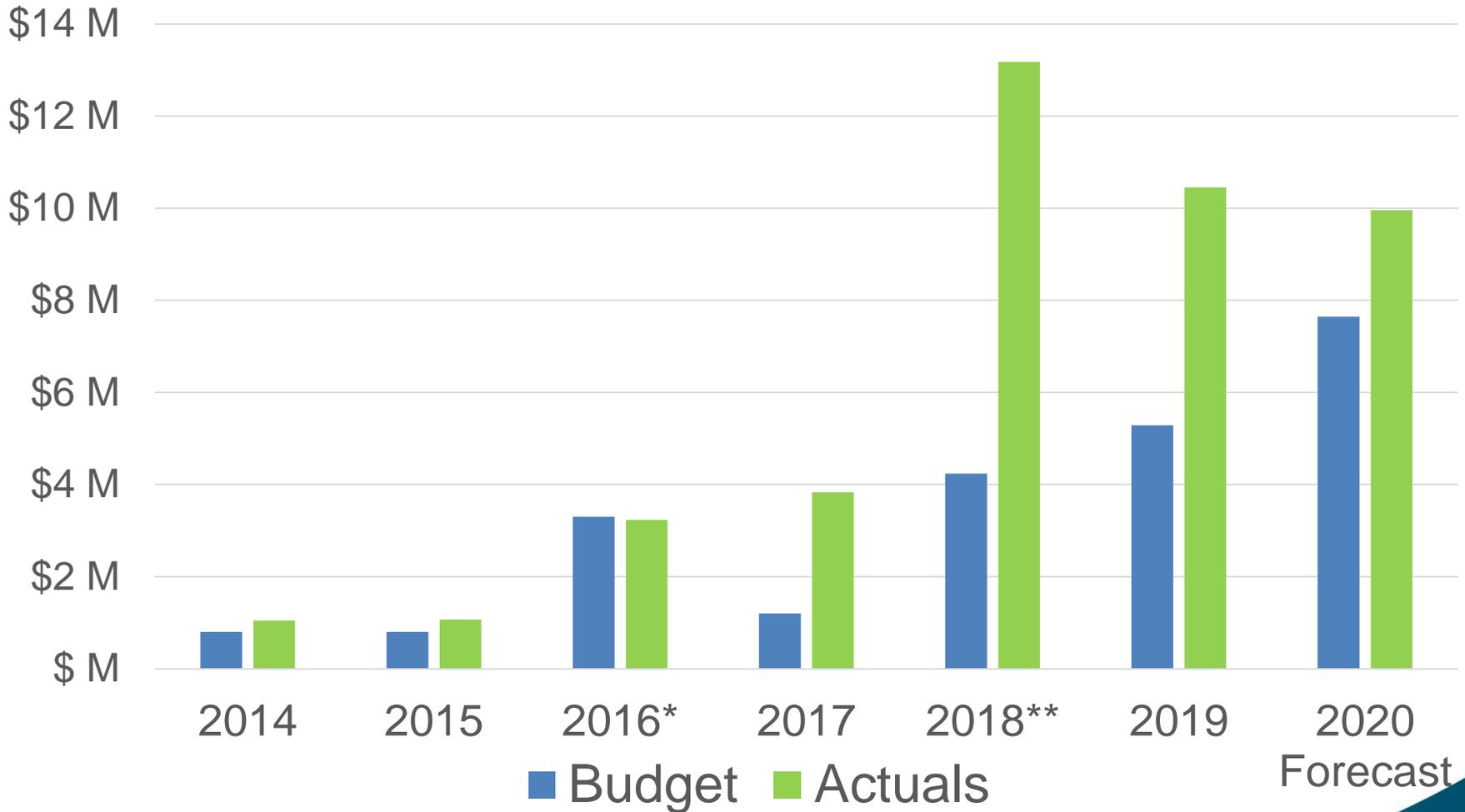
By-law expires August 2022
(potentially sooner due to Bill 108)

2019 DC rebate budget = \$5.3 M
Inadequate budget to meet demands of by-law programs

Includes rebates for: rate transition, hotel, agricultural, brownfield, industrial, non-profit, Smart Growth, Board of Education, Niagara Regional Housing, parking garage, place of worship, institutional, Gateway CIP

DEVELOPMENT CHARGE REBATES

Budget vs. Actuals

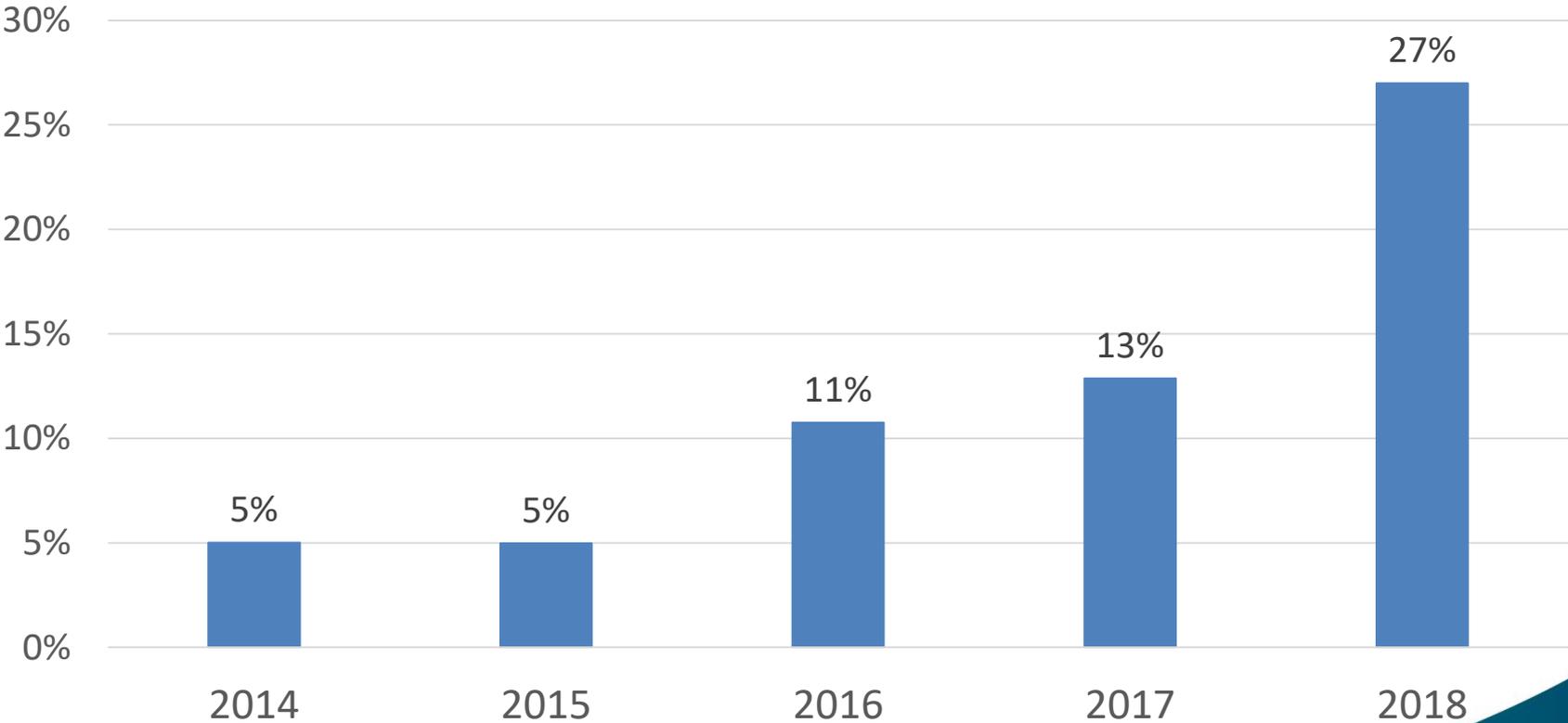


* One-time funding of \$2.5M for GE/INNIO project

**One-time draw from reserve of \$2.5M

DEVELOPMENT CHARGE REBATES

As a percentage of
Development Charge
Revenues



EXISTING MULTI-YEAR

COMMITMENTS Tax Increment Grants

Refund of taxes on assessment growth directly related to development, usually 5 to 10 years

\$46.5 M commitment from 2020 to 2030
\$1.873 M for 2019

In Year 1 of grant, funding is provided from assessment growth and becomes base budget for remainder of grant

Continual increase in commitment through to 2022

As commitments expire growth funding can be repurposed

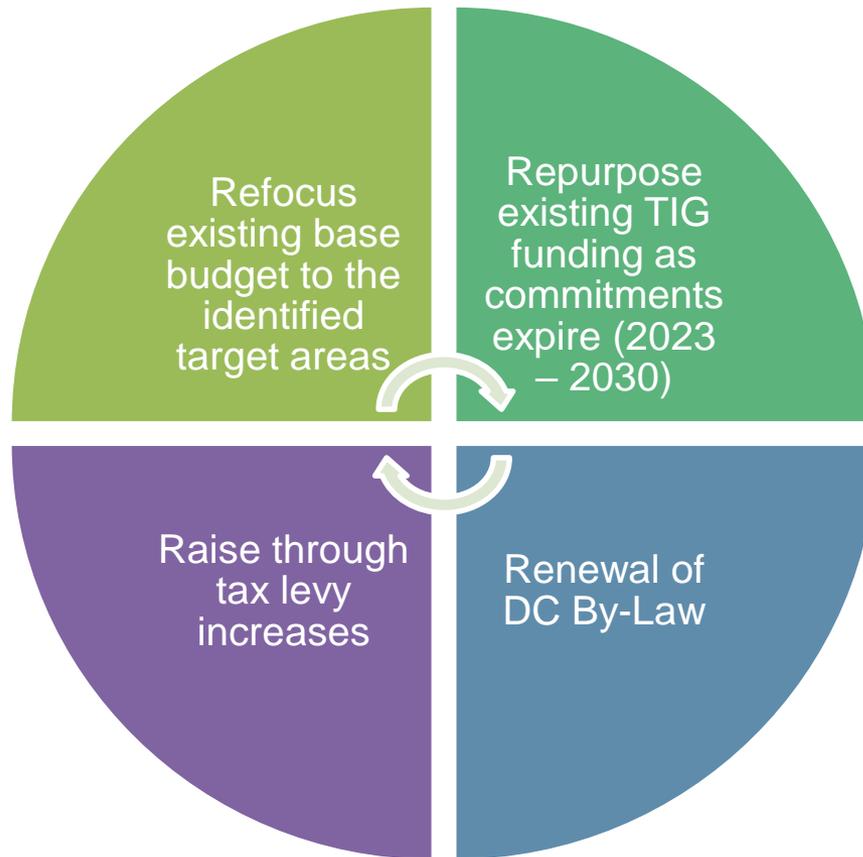
TAX INCREMENT GRANTS

Commitments

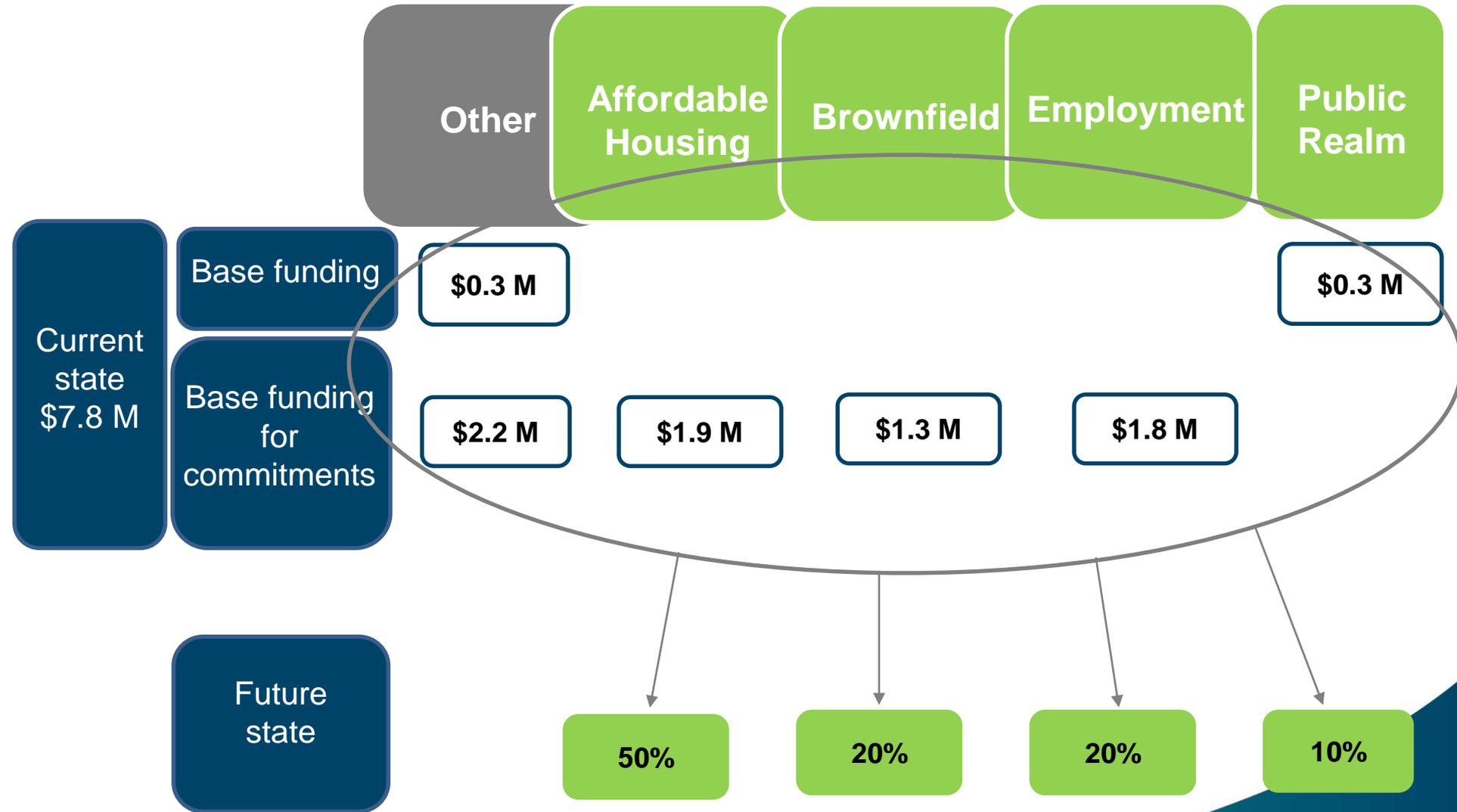


REALIZING THE NEW STRATEGY

How do we establish funding to support the new strategy?



TRANSITION = REFOCUS EXISTING BASE BUDGET



NEXT STEPS

- Council direction to develop programs in these target areas
- BRCOTW to approve funding recommendations
 - Niagara Investment In Culture funding repurposed to new strategy
 - Do not reinvest in Waterfront Improvement and Smarter Niagara Incentive Grants (no current base funding)
- Information on new programs will be shared with stakeholders
- Implementation in 2020

Questions?

