
MEMORANDUM

CL-C 72-2019

Subject: Regional Participation in a Brownfield Tax Assistance Program Incentive in the City of Welland

Date: November 14, 2019

To: Regional Council

From: Rino Mostacci, Commissioner, Planning and Development Services

The City of Welland has requested that Niagara Region participate in a Brownfield Tax Assistance Program (BTAP) incentive it has approved for a proposed residential project located at 240 Denistoun in the City of Welland. The City requires a Regional Council resolution approving matching funding for this BTAP before it can approve its By-Law for this grant.

BTAP is intended to support developers of brownfield properties by offsetting the costs of environmental remediation by freezing or cancellation of taxes in order to provide tax assistance to mitigate these costs. A six storey 80 unit condominium is proposed for the above-noted site and remediation is required for the development to proceed.

By way of report P&B 2019-53, the City of Welland approved BTAP incentive funding and is requesting the Region participate for its portion of the municipal taxes. The Region matches funding under Welland's Brownfield CIP programs. The BTAP incentive provides for a freeze on the Regional portion of municipal taxes during the rehabilitation period, up to eligible remediation costs. For this period, the amount estimated for a freeze on the Regional portion of taxes for the three year rehabilitation period would be \$73.62. The date of the rehabilitation period under the City's proposed by-law for this project would begin when that by-law is approved, anticipated in 2019.

By way of report P&B 2019-53, the City also approved funding for a Brownfield Tax Increment Grant (BTIG) for this property. BTIGs provide a grant based on a percentage of the increase in assessment value of a project generally for a 10-year period, up to eligible costs. Remaining eligible costs not covered by the BTAP can be rolled over into eligible costs for any approved BTIG. The request for Regional matching funding for a BTIG for this project is anticipated soon from the City, and can be reviewed and approved through Staff's delegated authority.

A resolution of Council is required to approve this funding. Suggested wording is as follows:

That Regional Council **APPROVE** funding subject to the approval of a By-law by the City of Welland and execution of an agreement which provides tax assistance to include a freeze on the taxes levied for municipal purposes by the Region, effective only for the duration of the rehabilitation period to a maximum of three years or until eligible rehabilitation costs have been reached, on the property known municipally as 240 Denistoun, City of Welland, under the Brownfield Tax Assistance Program.

Respectfully submitted and signed by

Rino Mostacci, MCIP, RPP
Commissioner, Planning and Development Services