



**Subject: CIP Agreement 234-238 West Street**

**To: Council**

**From: Chief Administrative Office**

Report Number: 2021-193

Meeting Date: July 12, 2021

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**Recommendation:**

That Chief Administrative Office Report 2021-193 be received; and

That Council approve the Downtown Central Business District Community Improvement Plan Agreement between the City of Port Colborne and Greg Poisson, attached as Appendix A to Chief Administrative Office Report 2021-193; and

That a by-law to enter into an agreement with Greg Poisson be brought forward.

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**Purpose:**

The purpose of this report is to provide Council with a recommendation on the application made by Greg Poisson, owner of 234-238 West Street in Port Colborne, under the Downtown Central Business District Community Improvement Plan's Tax Increment Grant (TIG) Program.

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**Background:**

Since 2008, Council has adopted and implemented six Community Improvement Plans (CIPs) for various project areas throughout the City. Greg Poisson, owner of 234-238 West Street, has submitted an application for a TIG under the terms of the Downtown Central Business District Community Improvement Plan. The TIG is a ten (10) year grant for 80% of the increase in municipal taxes that result from property rehabilitation and improvements. The grant payment is based on the actual post-project assessed value as determined by the Municipal Property Assessment Corporation (MPAC).

A condition of approving the application for tax assistance is that the owner is required by the City to enter into an agreement. As part of the agreement, the owner agrees to

develop the subject property in accordance with the City's objectives and required information in the Program Guide for the CIPs.

The owner of the property completed a total renovation to the second floor of the building and created five (5) residential apartments. Prior to this investment, the second floor was 4000 square feet of open space. The construction included new wiring, plumbing, HVAC, framing, and ensuring compliance with building and fire code.

While many of the programs contained within the various Community Improvement Plans for the City can be approved by the Director of Planning and Development through delegated authority, any application for tax assistance must be approved by City Council.

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## **Discussion:**

The agreement is comprehensive in terms of what is expected by the City from the owner to meet eligibility requirements for the tax assistance and grant. Some key provisions are as follows:

- the annual grant is based on actual post-project MPAC assessed value;
- City to be satisfied in its discretion that owner completed property improvements in accordance with the proposed plans;
- City to be satisfied with its review of all documentation submitted to support actual cost of works incurred by owner, including third party review if required by City at cost of owner;
- Payments are repayable by owner if City determines that conditions set out in the Application or Agreement have not been met;
- Grant may be reduced by amount of any tax arrears on the Property;
- Specific pre-conditions for annual grant to be met to satisfaction of the City.

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## **Internal Consultations:**

The application and agreement have been reviewed by the City's CIP Review Team comprised of staff from Building, Economic Development, and Planning.

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## **Financial Implications:**

As per the agreement attached, Schedule B indicates that the Tax Increment Grant over a 10-year period is estimated to be \$56,845. There will be no net impact on the property tax levy in relation to the Tax Increment Grant (TIG) Program.

Following the 10-year period, the City will receive the full property tax value associated with the redeveloped property. The owner is responsible for the upfront costs of

redevelopment and must pay for the increased taxes arising from the higher assessed value. The incremental portion of the tax increase is returned in the form of a grant.

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### **Conclusion:**

Greg Poisson, owner of 234-238 West Street, has submitted an application to the City's Downtown Central Business District Community Improvement Plan to assist with the improvements to his commercial property. As a condition of approval, the owner is required to enter into an agreement with the City that outlines obligations of the owner to satisfy the eligibility requirements of the City's CIP programs. Staff are recommending Council endorse the agreement as these CIP programs will help facilitate the remediation and redevelopment of property in the City's downtown business district.

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### **Appendices:**

- a. Tax Increment Grant Agreement
- b. Draft By-law

Respectfully submitted,

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### **Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.