



Subject: Niagara Gateway Economic Zone and Centre CIP Expansion

To: Council

From: Office of the Chief Administrative Officer

Report Number: 2023-219

Meeting Date: November 28, 2023

Recommendation:

That Chief Administrative Office Report 2023-219 be received; and

That Council approve expanding the Niagara Gateway Economic Zone and Centre Community Improvement Plan (NGCIP) area as outlined in Appendix A; and

That the Manager of Strategic Initiatives be directed to contact the Niagara Region Growth Strategy and Economic Development Department to request a matching of the new boundaries; and

That the Mayor and Acting City Clerk be authorized to execute any and all required documents on behalf of the City.

Purpose:

The purpose of this report is to seek Council approval for the expansion of the boundaries of the Niagara Gateway Economic Zone and Centre Community Improvement Plan (NGCIP) to further incentivize investment and facilitate economic development in the City of Port Colborne. Appendix A depicts the proposed expansion area.

Background:

The NGCIP is a Tax Increment Based Grant (TIG) Program. This program provides an incremental tax grant for completed projects within the Gateway Project Area based on the project's economic and environmental design performance. Successful applicants will receive a tax rebate of a percentage of the post-project assessed value, for a period

of 5 or 10 years depending on the location of the project. The current boundaries for a 10-year TIG are shown in yellow on Appendix A. This joint program is funded and administered by the Niagara Region and the City of Port Colborne, and it is designed to encourage the development, redevelopment, or expansion of businesses, as well as create jobs in a specific geographic location for qualifying businesses.

The TIG is a points-based system with various criteria such as environmental design performance and value of construction. The number of points determine whether development on the property qualifies for the program and a percentage of between 40% and 100% of the increased tax assessment. This amount of rebate is fixed so if the Municipal Property Assessment Corporation (MPAC) assessment continues to increase further over the 10 years, the TIG amount returned continues to stay constant. The City and Region is also protected if the property was to be reassessed at a lower tax rate in the future.

Discussion:

The subject lands, as depicted in Appendix A, are designated Rural Employment, Environmental Protection Area, and Environmental Conservation Area in the City's Official Plan, and are zoned site-specific Heavy Industry (HI), site specific Industrial Development (ID), Environmental Conservation (EC) and Environmental Protection (EP). The Official Plan and Zoning support industrial development on the subject lands, subject to the environmental policies and regulations on a portion of the lands.

Staff recommend support for expanding the boundaries and that the Niagara Region be requested to match the new boundaries. The Niagara Region Growth Strategy and Economic Development Department has been consulted, are supportive of the change, and support recommending this proposed CIP expansion to Niagara Region Council.

Economic Development and Tourism Services (EDTS) is bringing this request forward to Council to support and facilitate future economic growth and promote the diversification of the economy and tax base in the City of Port Colborne. Over the past three years, the City has seen unprecedented interest in industrial land. Adding these strategically located properties, which are zoned HI or ID, into the Niagara Gateway CIP boundary will promote the development of the lands through new investment and bring new jobs and increased tax assessment for the City.

Planning Act

Section 28 of the *Planning Act* allows for the consideration of an amendment to the existing Community Improvement Plan. Section 28 refers municipalities to follow the process of an Official Plan Amendment under Section 17 with respect to matters such as Notices, Public Meetings, and approvals.

Internal Consultations:

The EDTS team has consulted with Planning and Corporate Services (Finance) and both Divisions are in support of the NGCIP boundary expansion. The following are comments received from internal departments:

Corporate Services

The addition of these lands to the Gateway CIP area is supported by Corporate Services, as the CIP expansion would encourage industrial development, resulting in a positive impact on future tax assessments throughout the TIG period and significantly at the end of the TIG periods.

Planning Division

The Planning Division is in support of the expansion of the NGCIP identified in Appendix A. The subject lands are contiguous with the Gateway Employment Area located to the south and the expansion supports economic growth of the City by providing financial incentives to facilitate employment uses on the subject lands. The expansion supports Section 2 of the City's Official Plan that describes the vision and strategic directions for the City with a focus on supporting existing businesses and promoting new business opportunities.

Drainage Superintendent

The Drainage Superintendent has no concerns or comments for the expansion of the Gateway Community but does have concerns with the municipal drains on these parcels and how they are to be addressed, should there be proposed changes to them.

Staff Response

Any future proposed development of the subject lands would be subject to site plan approval and would need to address any concerns with the municipal drain on the subject lands as a condition of their site plan approval.

The request was also circulated to external agencies in accordance with the *Planning Act* and the following comments have been received to date:

Ministry of Transportation (MTO)

In principle, the MTO has no objection with the proposed expansion.

Subject lands are located within the Ministry's permit control limit; hence, review/approval and MTO permits are required prior to any proposed redevelopment. All new access must adhere to the Ministry's access management policies (no access to Highway 140, only permitted via existing public road connections).

Mississaugas of the Credit First Nation (MCFN)

MCFN has requested to meet with City staff to discuss the proposed NGCIP expansion.

Staff Response

Staff have arranged to meet with the MCFN prior to Council consideration of this report.

Any future proposed development of the subject lands would be subject to site plan approval and the MTO and MCFN are circulated on all applications with the opportunity to provide comments.

Niagara Peninsula Conservation Authority (NPCA)

While the NPCA does not have any objections to the expansion of the CIP Area, they note that the proposed expansion area contains large areas regulated by the NPCA under Ontario Regulation 155/06. The regulated areas are comprised of wetlands (provincially significant), 100-year flood plain, and watercourses. Any work proposed within an NPCA regulated area requires approval from the NPCA.

Financial Implications:

There are no direct costs associated with this report.

The Tax Increment Grant (TIG) over a 10-year period continues to have a net tax assessment increase, as the TIG is a fixed amount after the completion of the MPAC reassessment. Any grant received is self funded by way of the new property taxes generated.

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.

Public Engagement:

The City of Port Colborne held a public meeting on November 28, 2023, with 20 days notice as required by the *Planning Act*. Notice was provided through an advertisement in the Welland Tribune on or before November 8, 2023, and notice was posted on the City's website and social media pages. No comments from the public were received as of the writing of this report.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar of the strategic plan:

- Economic Prosperity

Conclusion:

The expansion of the boundaries of the Niagara Gateway Investment Zone and Centre CIP to provide the 10-year TIG will attract investment, encourage economic development, and create jobs in Port Colborne. The addition of new industry will have an overall tax assessment increase for the City of Port Colborne over the 10 years with a significant increase at the conclusion of the TIG. Staff are recommending that Council support this boundary change and that the Council motion be forwarded to Niagara Region's Commissioner of Growth Strategy and Economic Development.

Appendices:

- a. NGCIP Expansion Area

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 review and approval by the Chief Administrative Officer.