



Subject: Niagara Gateway Economic Zone and Centre CIP Expansion

To: Council

From: Chief Administrative Office

Report Number: 2021-220

Meeting Date: August 23, 2021

Recommendation:

That Chief Administrative Office Report 2021-220 be received;

That Council approve expanding the Niagara Gateway Economic Zone and Centre Community Improvement Plan (CIP) area as outlined in Appendix A to Chief Administrative Office Report 2021-220; and

That the Economic Development Officer be directed to contact the Niagara Region's Council to request that they match the new boundaries.

Purpose:

The purpose of this report is to seek Council approval on the expansion of the boundaries of the Niagara Gateway Economic Zone and Centre CIP to further incentivize investment and facilitate economic development in the City of Port Colborne.

Background:

The Niagara Gateway Economic Zone and Centre CIP is a Tax Increment Based Grant Program (TIG). 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 location of the 10-year TIG is shown in yellow on Appendix A. This is a joint program 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 qualified 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 you qualify for the program or a percentage of between 20% and 100% of the increased tax assessment. This amount of rebate is fixed so if the MPAC assessment continues to increase further over the 10 years, the dollar amount returned continues to stay constant.

Discussion:

Much of the land encompassed in the current geographical area that qualifies for the 10-year TIG is not serviced and is not slated for servicing for several years. Expanding the boundaries to broaden eligibility for the 10-year TIG from the 5-year TIG will encourage the development of areas where servicing currently exists to support more development in the near term and attract new businesses.

Staff are recommending support for expanding the boundaries and that the Niagara Region be requested to match the new boundaries along with funding the Regional portion of the TIG. Niagara Region Economic Development has been consulted and are supportive of the change and recommending this to Niagara Region Council.

Appendix A in blue shows the proposed expansion area.

Financial Implications:

The Tax Increment Grant (TIG) over a 10-year period continues to have a net tax assessment increase.

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.

Strategic Plan Alignment:

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

- Attracting Business Investment and Tourists to Port Colborne
- Value: Financial Management to Achieve Financial Sustainability

Conclusion:

The expansion of the boundaries of the Niagara Gateway Investment Zone and Centre CIP to provide the 10-year TIG will attract investment and encourage economic development and job creation in the City. This will have an overall tax assessment increase for the City of Port Colborne. Staff are recommending that Council support this policy change and that the Council motion be forwarded to Niagara Region Economic Development and Niagara Region Council for their support.

Appendices:

- a. Current Niagara Gateway Economic Zone and Centre CIP Boundary and proposed expansion.

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.