



PORT COLBORNE

Subject: Comprehensive CIP East Waterfront CIPA Tax Increment Grant –131 - 133 Durham Street

To: Council

From: Development and Government Relations Department

Report Number: 2025-39

Meeting Date: March 11, 2025

Recommendation:

That Development and Government Relations Department Report 2025-39 be received;

That Council approve entering into the Comprehensive Community Improvement Plan East Waterfront Community Improvement Project Area (CIPA) Agreement for the Tax Increment-Based Grant (TIG) with Resimate (2812881 Ontario Inc. Owner Glyn Holmes); and

That the by-law and agreement attached hereto as Appendix B be brought forward for Council's approval.

Purpose:

The purpose of this report is to provide Council with a recommendation regarding an application for a Tax Increment Grant (TIG) in the East Waterfront CIPA under the Comprehensive CIP submitted by Axe Homes Kyle Rutter on behalf of Resimate 2812881 Ontario Inc. and owner Glyn Holmes for 131-133 Durham Street as shown in Appendix A.

Background:

Since 2008, Council has adopted and implemented six Community Improvement Plans (CIPs) for various project areas throughout the City. On November 28, 2023, Council approved a new Comprehensive CIP that consolidates all CIPs into one document.

Resimate has applied for a TIG in the East Waterfront CIPA under the Comprehensive CIP for 131-133 Durham Street. The TIG is a 10-year grant fixed at 80% of the initial

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 to enter into an agreement with the City. The agreement requires that the applicant develop the subject property in accordance with the City's objectives and required information in the CIP Program Guides.

While many of the CIP programs can be approved through the authority delegated to staff, any application for tax assistance must go through Council for approval. The CIP Review Team has met and recommended that this application be brought forward to Council for approval.

Discussion:

The owner of 131-133 Durham Street has submitted a proposal to construct a four (4)-unit purpose-built rental building. This project is in direct alignment with the City's Strategic Plan, with the goal of creating more housing options.

Currently, the property contributes \$468 in annual City property tax and \$350 in Niagara Region property tax based on 2024 tax rates annually. Upon project completion, the anticipated City property tax is estimated to increase to \$10,168 and Niagara Region tax is \$7,593 per year. As the CIP provides an 80% TIG grant, the City's initial tax portion is estimated to increase to \$2,408 from \$468 and the Region's to \$1,798 from \$350 in year one.

Following the 10-year period, the City will receive the full property tax value, estimated to be \$10,168 based on 2024 tax rates and the current estimated post construction assessed value.

The introduction of new housing units in the East Waterfront area of the City of Port Colborne aligns with the objectives of the CIP and the Strategic Plan, aiming to enhance and increase housing stock, density, and is within walking distance to local restaurants and shopping for walkability.

The agreement is comprehensive, outlining the City's expectations for the owner to meet eligibility requirements for the tax increment grant. Key provisions include:

- The annual grant is based on the actual post-project MPAC assessed value;
- The City must be satisfied, at its discretion, that the owner has completed property improvements in accordance with the proposed plans;
- The City must be satisfied with its review of all documentation submitted to support the actual cost of works incurred by the owner, including third-party review if

required by the City at the owner's cost;

- Payments are repayable by the owner if the City determines that conditions set out in the Application or Agreement have not been met;
 - The grant may be reduced by the amount of any tax arrears on the property; and
 - Specific preconditions for the annual grant must be met to the satisfaction of the City.
 - The Region must still approve their portion of the TIG and the City is only responsible for the City portion
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Internal Consultations:

The application and the agreement have been reviewed by the City's CIP Review Team comprised of staff from Building, Development and Government Relations, Economic Development, and Planning. The TIG calculations were supplied by Finance.

Financial Implications:

As per the agreement attached, Schedule B indicates that the amount of the TIG over a 10-year period is estimated to be \$135,543 combined between the City and Region based on 2024 tax rates and the current estimated post-construction assessed value.

As noted above, the property currently generates \$468 in annual City property tax and \$350 in Niagara Region property tax based on 2024 tax rates. Upon completion of the project the new estimated amount in City property tax is \$10,168 and Niagara Region tax is \$7,593 per year. As the CIP provides an 80% TIG grant, the City's initial tax portion is estimated to increase to \$2,408 from \$468 and the Region's to \$1,798 from \$350 in year one.

Following the 10-year period, the City will receive the full property tax value, estimated to be \$10,168 based on 2024 tax rates and the current estimated post-construction assessed value.

It is important to note that the property owner is responsible for the upfront costs associated with the redevelopment and is required to cover the increased taxes resulting from the higher assessed value. Additional details are provided in Appendix C.

Strategic Plan Alignment:

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

- Welcoming, Livable, Healthy Community
 - Increased Housing Options
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Conclusion:

Staff recommend that Council approve the Comprehensive CIP application by Resimate to assist with the development of the property and construction of a 6-unit residential purpose-built rental building at 131-133 Durham Street. If approved, the TIG would establish a fixed grant at 80% of the initial increase in municipal taxes that result from property rehabilitation and improvements for 10-years. Following the 10-year period, the City and Region will receive the full property tax value.

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.

Appendices:

- a. Property Map
- b. By-law and East Waterfront CIPA Comprehensive CIP TIG Agreement
- c. TIG Calculation

Respectfully submitted,

Bram Cotton

Economic Development Officer
(905) 228-8063
Bram.Cotton@portcolborne.ca

Gary Long
Director of Development & Government Relations
(905) 228-8062
Gary.Long@portcolborne.ca

Report Approval:

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