



**Subject: Grandstone Living Inc. - Community Improvement Plan Agreement**

**To: Council**

**From: Office of the Chief Administrative Officer**

Report Number: 2023-46

Meeting Date: April 11, 2023

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### **Recommendation:**

That Chief Administrative Office Report 2023-46 be received; and

That Council approve the Olde Humberstone Community Improvement Plan (CIP) Agreement between the City of Port Colborne and Grandstone Living Inc., attached as Appendix B to Chief Administrative Office Report 2023-46; and

That a by-law to enter into an agreement with Grandstone Living Inc. be brought forward.

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### **Purpose:**

The purpose of this report is to provide Council with a recommendation on the CIP application made by Grandstone Living Inc., owner of the vacant lot (VL) on Neff Street in Port Colborne and shown in Appendix A. Grandstone Living Inc. has applied under the Olde Humberstone CIP Financial Incentive Programs Tax Increment Grant (TIG).

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### **Background:**

Since 2008, Council has adopted and implemented six Community Improvement Plans (CIPs) for various project areas throughout the City. Grandstone Living Inc., owner of VL Neff Street, has applied for a TIG under the terms of the Olde Humberstone CIP. The TIG is a three-year grant for 100% 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 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.

While many of the programs contained within the various Community Improvement Plans for the City can be approved through delegated authority to staff, any application for tax assistance must go through Council for approval.

The owner of the property, Grandstone Living Inc., has submitted an application for the Olde Humberstone Community Improvement Plan Financial Incentive Program Tax Increment-Based Grant. The CIP Review Team has met and recommended that the application be brought forward to Council for approval.

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## **Discussion:**

Grandstone Living Inc. has proposed a six-unit apartment rental building at VL Neff Street. The six-unit rental will contain two accessible ground floor units and one affordable unit. The property currently generates \$71.57 in annual City property tax and \$139.71 in storm sewer fees. The estimated increase in property tax is \$14,707 and storm sewer fees of \$1,257.79 per year.

The addition of rental housing units to the City of Port Colborne in the Olde Humberstone area supports the goals of the CIP and City to increase housing stock, density, and walkability to local restaurants and shopping.

The agreement is comprehensive in terms of what is expected by the City from the owner to meet eligibility requirements for the tax increment 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 preconditions for annual grant to be met to satisfaction of the City.
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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, Economic Development and Tourism Services, and Planning. The TIG calculations were supplied by Finance.

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## Financial Implications:

As per the agreement attached, Schedule B indicates that the TIG over a three-year period is estimated to be \$43,906.50. Current City taxes paid on the property are \$71.57 per year. There will be no net impact on the property tax levy in relation to the Tax Increment Grant (TIG) Program. The incremental portion of the tax increase is returned in the form of a grant upon the confirmation of the payment of taxes each year.

Following the three-year period, the City will receive the full property tax value, estimated to be \$14,707 from 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.

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## 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
  - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
  - Value: Financial Management to Achieve Financial Sustainability
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## Conclusion:

Grandstone Living Inc., owner of VL Neff Street, has applied to the City's Olde Humberstone CIP to assist with the development of the property and construction of a multi-unit residential building. If approved, the TIG would return 100% of the tax assessment increase for 3-years estimated to be \$43,906.50. 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 development of the property while adding housing stock and population into the Olde Humberstone Business district.

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**Appendices:**

- a. VL Neff Property Map
- b. CIP Agreement- City of Port Colborne and Grandstone Living Inc.
- c. 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 review and approval by the Chief Administrative Officer.