

REPORT TO: Mayor James M. Diodati
and Members of Municipal Council

SUBMITTED BY: Planning, Building & Development

SUBJECT: **PBD-2021-76**
2021 Program Extensions under the Downtown, Historic
Drummondville and City-Wide Community Improvement Plans

RECOMMENDATION

It is recommended that Council extend the Incentive Programs for the City's various Community Improvement Plans outlined in this report until October 1, 2024 and that a copy of this report be forwarded to the Niagara Region.

EXECUTIVE SUMMARY

City Council introduced Community Improvement Plan Programs to incentivize certain sections of the City for a 10 year period. Since that time, Council has approved extensions of the Downtown, Historic Drummondville and City-Wide Brownfields Community Improvement Plan (CIP) Incentives in 2017, 2019 and 2020. Current approvals will lapse at the end of December 2021. The Region participates through the Smarter Niagara Incentive Program (SNIP) to provide matching funding to the City's CIP incentives.

In October, 2021 newly created Regional incentives that align with their Strategic Objectives were approved. Regional Council decided to also extend certain aspects of the existing SNIPs which provides for a transition period between the new programs and the SNIP programs. Regional Staff are to report back on the SNIP extensions to Regional Council in October 2024.

An extension of the Downtown, Historic Drummondville, Lundy's Lane and City-Wide Brownfields Community Improvement Plan Incentives to correspond with the Region's extension would allow the City to continue with the existing programs while providing time for City staff to create new CIP Programs that align with the Region's new programs. Regional participation in an incentive grant is subject to the availability of budgeted funds.

BACKGROUND

The Downtown, Historic Drummondville and City-Wide Brownfields programs have been in place for more than 15 years. Planning Staff last reviewed the programs in 2019 which resulted in minor improvements to the administration of the associated incentive programs. These programs were extended until the end of 2021 to allow a comprehensive program review at the Region. The Region has now completed its review.

In October 2021, Regional Council approved the new Niagara Region Incentive Policy and its programs, which align with the Region's Strategic Priorities of affordable housing,

employment, brownfields and public realm improvement. Regional Council also extended some existing Regional incentive programs which will, in effect, continue participation with the City's CIP Incentives and provide a transitional time period for the City to review and align its programs with the Region while allowing current applications to continue through the process up until October 2024 when Regional staff is to report back to Council. The Region's participation in local programs will be subject to budget allocations which will be reviewed on an annual basis.

ANALYSIS/RATIONALE

The Downtown and Historic Drummondville CIPs have seen limited activity over 2020-2021. A breakdown of the applications is included in Appendix A. While interest is dwindling in these programs, they could be continued since staff continues to receive expressions of interest in the programs. Programs will be phased out or replaced as new programs are developed.

Interest in the Environmental Study Grant program under the City-Wide Brownfields CIP has seen consistent activity over the past 3 years. This incentive offers financial assistance for the preparation of Phase II Environmental Site Assessments or Remediation Plans. These programs should continue until October 2024 or the program revamped to correspond with Regional initiatives.

The City-Wide Brownfield CIP Tax Assistance/Rehabilitation Grant Incentive provides assistance for the clean-up of larger areas of contaminated lands. This program has received limited interest. However, two applications were submitted and considered by Council in 2021 and it is expected that this incentive may become more important in the future as the availability of urban land decreases. Brownfield remediation has been identified by the Region as an area of focus under their New Niagara Incentive Policy.

The City has had continued interest through the Economic Gateway CIP and corresponding Municipal Employment Incentive with one new completed application in 2020-21 and several undergoing review. The administration of previous approvals and the receipt of new inquiries continues.

There have been no new, complete applications under the Lundy's Lane CIP in 2021 although interest in the program continues. Regional participation in the Lundy's Lane CIP programs was affected by the Regional CIP review, which put a hold on those CIPs that were approved or modified during their review process. The City is awaiting confirmation from Regional staff as to whether Regional Council's recent decision includes participation in the Lundy's Lane CIP.

The incentives, through these CIPs, is of more value to an applicant with the Region's participation. However, Regional involvement will be based on funding which will be determined through annual budgets and available on a first come first served basis across all of the lower tier municipalities. Should Regional funding not be available, the incentive programs at the City can will continue to offer the City portion of the grants (ie. 25% matching grants or a rebate of City taxes only for revitalization grants).

Staff recommends the continuation of the incentives in co-ordination with the transition policies and deadlines of the Region's extended SNIP programs. Council has the option of cancelling, suspending or extending any or all of the CIPs discussed in this report at any time.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS

There are sufficient balances remaining in the individual Special Purpose CIP Reserves which will be used to fund the incentive programs. No additional funding is required through the 2022 Operating Budget. Funding for tax increment based grants are based on a percentage of the increased tax assessment post construction and as such impact future taxation years and are accounted for at that time.

The City also offers a Development Charge exemption for new residential development of between 75% (Downtown, Historic Drummondville and Brownfield) and 100% (Brownfield only subject to specific criteria) under the three CIPs. Development charges waived through the City based programs, beyond the provincial act, will be funded through the 2022 tax levy under Business Development.

CITY'S STRATEGIC COMMITMENT

The City's CIPs contribute to the Economic Growth and Prosperity Priority of the City by providing incentives for private sector reinvestment into the City.

LIST OF ATTACHMENTS

Appendix A – Update on Downtown, Historic Drummondville and Brownfield CIP Applications, 2017-2021

Recommended by:

Alex Herlovitch, Director of Planning, Building & Development

Respectfully submitted:

Jason Burgess, Chief Administrative Officer

FB:tkl
Attach

APPENDIX A

DOWNTOWN, HISTORIC DRUMMONDVILLE & BROWNFIELD CIP APPLICATIONS

Year	Downtown No. of Applications	Downtown Grant Totals	Drummondville No. of Applications	Drummondville Grant Totals	Brownfields No. of Applications	Brownfields Grant Totals
2007-2016	87	\$730,294	40	\$251,274	7	\$49,292
2017	5	\$60,754	0	0	3	\$11,992
2018	0		1	\$127,142	2	\$10,493
2019	0		1	\$139,983	2	\$5,566
2020	0		2	Est. \$15,500 and \$5,500,000	3	\$14,596
2021	1	\$14,169 in future taxes	2	Awaiting information for complete application	2	Est: \$559,000 and \$507,000 (both TARG)

- includes Revitalization Grant Applications
- the Drummondville applications in 2018, 2019 and one in 2020 are Revitalization Grants
- the Downtown Application in 2021 was for a Commercial Building and Façade Grant approved retro-actively
- the two Brownfield Applications in 2021 are for Tax Assistance/Rehabilitation Grants