



Subject: City of Thorold Community Improvement Plan for Downtown Thorold and Thorold Centre – Tax Increment Financing Application by LandX Developments

Report to: Thorold City Council

Recommendations

1. That the Application for the City of Thorold Community Improvement Plan Program for Downtown Thorold and Thorold Centre, for the property known as 181 Queen St S & 1522 (1686) Beaverdams Rd - Artisan Ridge Phase 2 & 3 in the City of Thorold, **BE APPROVED** for the Tax Increment-Financing Program for the estimated amount of \$15,778,818.68, from both the City and the Region paid over a 10 year period, subject to the Owner satisfying the program requirements;
2. That the necessary By-law **BE PREPARED** and **CONSIDERED** by City Council;
3. That the Mayor and Clerk **BE AUTHORIZED** to execute any documentation required to satisfy the conditions related to participation in the Tax Increment-Financing Program; and
4. That Council's decision and Report CAO 6-2023 **BE CIRCULATED** to the Regional Municipality of Niagara.

Key Facts

- The purpose of this report is to seek the approval of the LandX application under the Tax Increment-Financing program in advancing the construction of up to 496 new residential housing units.
- The new residential housing units will be built over three phases. Each phase will receive a maximum grant of the increase in the municipal portion of municipal property taxes as follows: 80% of the increase in City taxes in Years 1-5, 60% in Years 6 and 7, 40% in year 8, and 20% in Years 9 and 10.
- In consultation with the applicant and external legal council staff recommend up to a one year extension of the trigger dates as a result of delays that resulted from the COVID-19 pandemic.

- The applicant will receive an estimated grant of \$7,251,806.54 from the City and \$8,527,012.14 from Niagara Region, should the region agree to provide a matching brownfield remediation grant, over the term of the agreement.

Budgetary Status

The total amount of the Tax Increment-Financing Program for this development project shall not exceed the cost of developing the land.

Grant payments will not be made until a number of conditions have been met, including but not limited to the following:

- A signed Agreement between the City and the Owner;
- Site visits and confirmation that the development has met the obligations in the application and in the legal agreement;
- An escalation in assessment and corresponding taxation, ie. A Tax Increment
- Full payment of municipal taxes; and
- Property taxes are not the subject of a pending or outstanding appeal.

Future budgets will be required to incorporate the expense of the annual TIG amounts, with funding from the additional taxation revenues.

Analysis

City staff are seeking Council's approval to approve the Tax Increment-Financing Program application that was submitted by LandX in 2020. The lands in the 2020 application were previously approved for a TIG under an existing TIG Agreement entered into with the same applicants in 2012. The subject lands of the 2020 application were deleted from the TIG Agreement in 2017 at the request of the applicants, but on the mutual understanding that the applicants would make a new application for a TIG when the timelines for the development/construction were better known.

Alternatives Reviewed

Council may deny the approval of the application. However, it is deemed in the best interests of all concerned to advance residential development opportunities and increase the availability of new houses in the city of Thorold.

Relationship to Strategic Plan

Highlight how the recommendation(s) will strategically enforce/improve that priority (why this report is being brought forward).

See [the City's Strategic Plan](#) for more information of Council's 2020-2023 Strategic Priorities:

- Responsible Growth and Infrastructure Planning
- Vibrant, Inclusive Neighbourhoods

Other Pertinent Reports

- CL-C 3 2023
- DES2017-27
- PBS2015-05
- PBS2013-46
- PBS2012-11

Prepared by: Ken Scholtens
Manager of Economic Development
Office of the Chief Administrative Officer

Recommended by: Manoj Dilwaria
Chief Administrative Officer

Approved and Submitted by: Manoj Dilwaria Chief Administrative Officer

This report was prepared in consultation with Kate Hannah, Manager of Revenues & Accounting, and reviewed by Maria Mauro, Director of Finance.

Appendices

Appendix 1 Location Map

Appendix 2

Tax Increment-Financing Estimate