



**PLANNING & BUILDING
SERVICES REPORT**

PBS2013-46

MAY 14, 2013

PROPOSED MUNICIPAL, REGIONAL AND EDUCATION CANCELLATION BY-LAW AND BROWNFIELD TAX ASSISTANCE AGREEMENT WITH THOROLD PARK REDEVELOPMENT INC. AND ASSOCIATED BROWNFIELDS INC. ARTISAN RIDGE DEVELOPMENT (FORMER EXOLON LANDS) 181 QUEEN STREET SOUTH AND 1686 BEAVERDAMS ROAD

RECOMMENDATION(S):

The General Committee recommends the following:

1. That a By-law authorizing the cancellation of Municipal, Regional and the Education portion of taxes for 181 Queen Street South and 1686 Beaverdams Road and a Brownfield Tax Assistance Agreement between Thorold Park Redevelopment Inc. and Associated Brownfield Inc. be presented for approval at this evening's Special Council Meeting.
2. That a copy of this report and executed Cancellation By-law and Brownfield Tax Assistance Agreement be circulated to the Ministry of Municipal Affairs and Housing and Region for their information.

BACKGROUND

On February 21, 2012 Council approved Planning and Building Services Report PBS2012 - 11 which recommended support in principle a By-law to cancel Municipal, Regional and the Education portion of taxes and a Brownfield Tax Assistance Agreement (BFTAP) between Thorold Park Redevelopment Inc. and Associated Brownfield Inc. (Owners) and that the said By-law be circulated to the Ministry of Finance for approval of education tax exemption and Regional Municipality of Niagara approval for cancellation of the Regional portion of taxes.

That same evening Council also passed a By-law authorizing the execution of a Tax Increment Grant Agreement (BFTIG) between Thorold Park Redevelopment Inc. and Associated Brownfields Inc.

The draft Cancellation By-law was circulated to the Ministry of Finance for approval of education tax exemption. On January 2, 2013 the City received the attached letter (Appendix "A") from the Ministry of Finance confirming their approval of the City's proposed by-law application for matching education property tax assistance under the Province's Brownfields Financial Tax Incentive Program (BFTIP).

Council will recall that the site consists of approximately 42 acres and the redevelopment plan is projecting a total of 475-575 residential units.

REPORT

The Brownfield Tax Assistance Program provides the cancellation of Municipal and Regional property taxes and may include the education portion of taxes subject to the approval of the Minister of Finance. The cancellation of taxes may occur during the Rehabilitation and Development periods for the property.

The purpose of this Program is to give financial relief to proponents early in the process as rehabilitation and land use planning proposals are being prepared and implemented. The Owners have been and continue to rehabilitate the site and are presently preparing plans for submission of a Draft Plan of Subdivision and related rezoning application.

The Regional Municipality of Niagara provides incentive programs which support all Thorold CIP Programs. The Region has acknowledged their participation in the BFTAP and TIGP applications.

Brownfield Tax Assistance Program Agreement (Agreement)

The Tax Assistance will commence as of the date the Cancellation By-law receives third reading and will run for a period of eighteen months, subject to the provisions of the Agreement.

The Owner will be required to have paid all property taxes owing with respect to the site for all years prior to the commencement of the Tax Assistance and in compliance with the Agreement.

The estimated Remediation Costs total approximately \$21,100,000.

The applicant is eligible for a maximum estimated Tax Assistance for the Remediation by way of a Tax Assistance in the amount of \$17,398.75 based on 2012 property taxes.

The estimated Tax Assistance consists of the following portion of property taxes and portion of the education tax:

Municipal: \$4,680.86
Region: \$6,116.12
Education: \$6,601.77

FINANCIAL IMPLICATIONS

Brownfield Financial Tax Assistance Program (BFTAP)

1. The Owner would be eligible for 100% cancellation of the Municipal (with specific exclusions), Regional and education portion of the property tax.
2. The property tax and education tax are limited to eighteen months and is limited to the Rehabilitation Period of the project.
3. The tax cancellation shall not exceed the actual eligible rehabilitation costs.

CONCLUSION

Based on Council's initial support in principle of the Cancellation By-law and the Brownfield Tax Assistance Agreement (BFTAP) between Thorold Park Redevelopment Inc. and Associated Brownfield Inc. staff is recommending that this report be supported.

BUDGETARY STATUS: BFTAP will cost approximately \$4,680.86 being the municipal taxes for one year, which is included in the 2013 Budget.

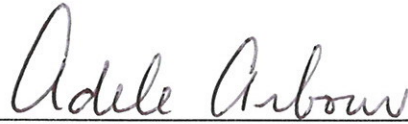
CANADIAN CONTENT: Thorold Park Redevelopment Inc. and Associated Brownfields Inc. are Canadian owned companies based in the Niagara Region.

STRATEGIC PLAN: Well-Planned & Sustainable Development.

ATTACHMENTS: Appendix "A" - Ministry of Finance November 16, 2012 Letter



Prepared by:
Jack Bernardi,
Planner



Submitted by:
Adele Arbour,
Director of Planning & Building Services

Approved by:
Frank A. Fabiano,
Chief Administrative Officer

"APPENDIX A"

Ministry of Finance
Office of the Deputy Minister

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November 16, 2012

Frank A. Fabiano
Chief Administrative Officer
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JAN 02 2013

CITY OF THOROLD
ADMINISTRATION

Dear Mr Fabiano:

I am pleased to inform you that the Honourable Dwight Duncan has approved the City of Thorold's proposed by-law application for matching education property tax assistance under the Brownfields Financial Tax Incentive Program (BFTIP).

Under the proposed by-law, pending municipal council approval:

- Education tax assistance will be provided for the property at 181 Queen Street and 1686 Beaverdams Road owned by Thorold Pak Inc. and Associated Brownfields Inc.
- Based on the current assessed value of \$419,000, and estimated remediation costs of \$4,000,000 the estimated total amount of matching education property tax assistance provided by the Province will be \$6601.77 over 18 months.
- In no case shall the matching Education Tax Assistance exceed this amount, unless the Minister of Finance has, by notice in writing to the City, authorized a higher amount.

Please forward the proposed by-law to Council. Once it is passed by Council, please notify the Ministry of Municipal Affairs and Housing, Municipal Services Office-Central Region.

The province authorizes cancellation of education property taxes levied during the rehabilitation period and the development period in proportion to the amount of property taxes the City of Thorold cancels over the same period. This cancellation will last for a maximum of 18 months, or up to the full cost of

remediation, whichever comes first. Please note that a Record of Site Condition (RSC) must be filed with the Ministry of the Environment following site rehabilitation for any eligible property under the BFTIP and the Municipal Services Office – Central Region must be notified when this occurs.

By working together to promote Brownfield revitalization, the province and municipalities are strengthening local communities, promoting environmental protection, and encouraging economic development.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Orsini', with a stylized flourish at the end.

Steve Orsini
Deputy Minister