

## **Municipality Of Chatham-Kent**

### **Community Development**

#### **Planning Services**

**To:** Mayor and Members of Council

**From:** Ryan Jacques, MCIP, RPP  
Director, Planning Services

**Date:** March 29, 2023

**Subject:** Chatham-Kent Community Improvement Plan  
Property Tax Increment Equivalent Grant Application  
PL202300058- Mannat Gears and Differentials Inc. & Ontime 4 Logistics Inc.  
180 Prosperity Way, Community of Raleigh (Bloomfield Business Park)

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#### **Recommendation**

It is recommended that:

1. The Mayor and Clerk be authorized to execute the Chatham-Kent Community Improvement Plan, Property Tax Increment Equivalent Grant Agreement, with Mannat Gears and Differentials Inc. & Ontime 4 Logistics Inc., owner of 180 Prosperity Way (PIN 00877-0123), Community of Raleigh, to provide an annual grant equivalent to 100% of the increase in municipal property taxes resulting from the development of an Employment Use, for ten (10) years.

#### **Background**

On March 2, 2020, Council approved the Chatham-Kent Community Improvement Plan (CIP), which covers the entire Municipality of Chatham-Kent. The CKCIP is a “Plan to Support the Chatham-Kent Growth Strategy and 2018-2022 Council Term Priorities” in order to allow market driven investment for targeted needs throughout all of Chatham-Kent (i.e. rental/affordable housing, commercial and employment business growth). The CIP replaced the Downtown and Main Street Areas, Commercial, and Employment CIPs. The CIP brought forward or enhanced the most impactful and popular programs from the former CIPs and introduced new incentives focused on encouraging much needed rental housing and affordable housing in the Municipality.

The Property Tax Increment Equivalent Program provides economic incentive for the development, redevelopment, adaptive reuse or rehabilitation of properties in the CIP areas. Specifically, it provides an incentive to reduce the tax increase that can result when a property is developed, redeveloped or rehabilitated. This may provide

assistance in securing project financing and is anticipated to increase the assessment base in the Municipality.

This program is applicable to commercial uses, employment uses, mixed use commercial/residential buildings, major rental housing developments and affordable housing developments in:

- Primary Urban Centres identified in the Official Plan
- Secondary Urban Centres identified in the Official Plan
- Hamlets identified in the Official Plan
- Other Business Parks or Rural Industrial areas identified in the Official Plan

The incentives in place until September 30, 2023 include:

- Commercial
  - Min \$250,000 eligible cost – 5 years at 60%
- Mixed use residential/commercial
  - Min \$250,000 eligible costs – 5 years 100%
- Employment
  - Min \$250,000 eligible costs – 5 years 100%
  - Major \$5,000,000 eligible costs – 10 years 100%
- Rental Housing
  - Major Rental Housing Developments (50 units or greater) – 10 years 100%
  - Affordable Housing Developments (5 units or more and 25% affordable units) – 10 years 100%

## **Comments**

The subject lands are located on the west side of Prosperity Way, in the Community of Raleigh (Roll No. 3650 110 005 00909). The lands are approximately 4.1 ha (3.0 ac.) in area and are currently being constructed with a new 6,503 sq. m (70,000 sq. ft.) Warehouse and associated Office Space. The development will be for a distribution warehouse, defined as an Employment Use in the CIP. Site photos of the lands and a copy of the approved Site Plan is attached as Appendix A and B for review, respectively.

Mannat Gears and Differentials Inc. & Ontime 4 Logistics Inc. has applied for a Property Tax Increment Equivalent Grant for the development described above, with a proposed construction value of 5.8 million.





This project is eligible under the CIP for a grant equal to the amount of new municipal property taxes levied because of new assessment growth related to the development. The owner is required to enter into an agreement with the Municipality, which details the benefits and obligations of participating in this program.

Grant amounts are determined following completion of the project, reassessment by the Municipal Property Assessment Corporation (MPAC), and conclusion of appeals to the Assessment Review Board (ARB), if any.

The owner, subject to the Municipality’s own discretion and satisfaction of conditions imposed, may assign grant payments to a subsequent owner, or retain the remaining grant payments after there has been a change in ownership, if applicable.

**Areas of Strategic Focus**

The recommendation in this report supports the following areas of strategic focus:

			
<b>Economic Prosperity</b>	<b>Healthy &amp; Safe Community</b>	<b>People &amp; Culture</b>	<b>Environmental Sustainability</b>
1.3			

**Consultation**

There was no consultation required for this report.

**Communication**

Internal divisions and the applicant will be notified through the course of regular business operations.

**Diversity, Equity, Inclusion and Justice (DEIJ)**

This report does not have implications related to diversity, equity, inclusion or justice.

**Financial Implications**

The Property Tax Increment Equivalent Grant results in the deferred recognition of 100% of the municipal share of assessment growth revenue for 10 years.

Community Improvement Plan – Tax Increment Based Grant Application  
PL202300058 – Mannat Gears and Differentials Inc. & Ontime 4 Logistics Inc  
180 Prosperity Way, Community of Raleigh (Bloomfield Business Park)

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Development

Attachment: Appendix A – Site Plan

Appendix A – Site Plan

