

Municipality Of Chatham-Kent

Development Services

Planning Services

To: Mayor and Members of Council

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

Date: August 28, 2023

Subject: Chatham-Kent Community Improvement Plan
Property Tax Increment Equivalent Grant Application
PL202300177 – 2770597 Ontario Inc.
1085 Richmond Street, Community of Chatham (City)

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 2770597 Ontario Inc., owner of 1085 Richmond Street (PIN: 00528-0090), Community of Chatham (City), to provide an annual grant equivalent to 60% of the increase in municipal property taxes resulting from a new building for a Commercial Use, for five (5) years.

Background

On March 2, 2020, Council approved the Chatham-Kent Community Improvement Plan (CIP), which covers the entire Municipality of Chatham-Kent. The CIP 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 property is located at the northeast corner of the Richmond Street and Bloomfield Road intersection in the Community of Chatham (City) (Roll No. 3650 420 022 20544). The lands are approximately 0.48 ha (1.19 ac.) in area and contain a gas bar, convenience store, car wash and restaurant. The subject lands are designated Employment Area in the Chatham-Kent Official Plan and zoned General Industrial (M1).

2770597 Ontario Inc. has applied for a Property Tax Increment Equivalent Grant for the development of a gas bar and convenience store. An approved Site Plan Control application is in place to implement this development.

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:

			
Economic Prosperity	Healthy & Safe Community	People & Culture	Environmental Sustainability
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 60% of the municipal share of assessment growth revenue for five (5) years.

Community Improvement Plan – Tax Increment Based Grant Application
PL202300177 – 2770597 Ontario Inc.
1085 Richmond Street, Community of Chatham (City)

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Prepared by: Noor Hermiz, Planner II, Planning Services

Reviewed by: Ryan Jacques, MCIP, RPP, Director, Planning Services

Reviewed by: Bruce McAllister, MCIP, RPP, General Manager, Community
Development

Attachment: Appendix A – Site Plan

Appendix A – Site Plan

