

Municipality Of Chatham-Kent

Development Services

Planning Services

To: Mayor and Members of Council

From: Gabriel Clarke MES, BA, RPP Candidate
Manager, Growth & Sustainability, Planning Services

Date: May 27, 2024

Subject: Chatham-Kent Community Improvement Plan
Property Tax Increment Equivalent Grant Application
PL202400032 – 1000475755 Ontario Inc.
20954 Erie Street South, Community of Wheatley (South Kent)

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 1000475755 Ontario Inc., owner of 20954 Erie Street South, Community of Wheatley, to provide an annual grant equivalent to 100% of the increase in municipal property taxes resulting from a new building for an Employment Use, for five (5) years.

Background

On September 25, 2023, Council approved the updated Chatham-Kent Community Improvement Plan (CIP). The new Chatham-Kent CIP is a “Plan to Support the Chatham-Kent Growth Strategy and the 2023-2027 Council Strategic Priorities” in order to allow market driven investment for targeted needs throughout all of Chatham-Kent, including rental & affordable housing, commercial business growth and employment growth.

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 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 current Property Tax Increment Equivalent Program incentives are as follows:

- Commercial Uses – Downtown Areas (Over \$250,000 Investment)
 - 5 Years – 100%
- Commercial Uses (Over \$1 million Investment)
 - 1 Year – 50%
- Mixed Use Commercial/Residential Buildings – Downtown Areas (Over \$500,000 Investment)
 - 5 Years – 100% (Market Rent Units)
 - 10 Years – 100% (Affordable Units)
- Hotel Development (Over \$1 million Investment)
 - 5 Years – 100%
- Major Rental Project (50+ Rental Units)
 - 10 Years – 70%
- Affordable Housing Development (Minimum 5 units, 25% of which are affordable)
 - 10 Years – 100%
- Additional Dwelling Units (Over \$15,000 Investment)
 - 15 Years – \$1,000/year
- Employment Uses (Over \$1 million Investment)
 - 5 Years – 100%
- Major Employment Uses (Over \$10 million Investment)
 - 10 Years – 100%

Comments

The subject property is located on the east side of Erie Street South in the Community of Wheatley (Roll No. 3650 010 001 17100). The lands are approximately 1.20 ha (2.96 ac.) in area and contain an industrial building. The property is designated Rural Industrial Area in the Chatham-Kent Official Plan and zoned General Industrial-330 (M1-330).

1000475755 Ontario Inc. has applied for a Property Tax Increment Equivalent Grant for the development of a new 2,890 sq. m (31,108 sq. ft.) addition to an industrial building.

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.

Council Term Priorities

This report supports the following Council Term Priorities:

			
Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability

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 five (5) years.

Community Improvement Plan – Tax Increment Based Grant Application
PL202400032 – 1000475755 Ontario Inc.
20954 Erie Street South, Wheatley

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

Attachment: Appendix A – Site Plan

Appendix A – Site Plan

