

Brownfield Financial Incentive Program Joint Tax Increment Grant (TIG) – New Agreement 130 Water Street North, Cambridge



Region of Waterloo

Attachment D - Presentation to Planning and
Works Committee - April 4, 2023
Report No. – PDL-CPL-23-008

Brownfield Financial Incentive Program

- Encourages the remediation and redevelopment of brownfield sites
- Promotes reurbanization
- Uses existing urban land and infrastructure efficiently
- Mitigates potential risks to groundwater

Brownfield Incentives

- 1. Regional Development Charge (RDC) Exemption**
- 2. Joint Tax Increment Grant (TIG)**

Incentives paid after remediation is complete AND building permit (RDC Exemption) or redevelopment completed (Joint TIG)

BROWNFIELD FINANCIAL INCENTIVES PROGRAM

SUMMARY BY NUMBERS



Region of Waterloo

22 Regional Development Charge Exemptions Approved (\$48,712,322)

23 Joint Tax Increment Grants Approved (\$49,145,752 – Regional Portion Only)

26 Phase 2 ESA Grants* (\$716,243)

71 BFIP grant applications approved by the Region since 2007

6,592 New residential units proposed to be created on approved brownfield sites

Over 2.4 million Square feet of new non-residential floor area proposed to be created on approved sites

\$98 million approved by Region to incentivize brownfield redevelopment

Over \$1.4 billion estimated combined increase in assessment value of all approved Joint TIGs

Tax Increment Grants (TIGs)

- The taxes paid resulting from the increased assessment are estimated on an annual basis and paid out in the form of a grant back to the owner of the property over a specified period of time which is capped at 10 years, or the cost of remediation, whichever is less
- Remediated and redeveloped brownfield site must pay increased taxes for at least 12 months, before first TIG grant payment
- Grant only pays for eligible remedial costs incurred on site and cannot exceed the 'tax increment'

Budgeting for TIGs

- TIGs are added to the capital program (as they are essentially a capital grant) based on estimated payments of approved agreements. No estimates of pending agreements are included.
- TIGs are funded by the property tax levy - the annual operating budget has a provision for TIGs in the form of a transfer to the Brownfield Incentives Program reserve.
- The reserve serves a stabilization function as the timing of TIG payouts can change in the capital program from year to year - TIGs paid out in any given year are funded from the reserve.

130 Water Street North, Cambridge – Location Map and Proposed Redevelopment



New TIG Agreement Needed – 130 Water Street North, Cambridge

- Previously approved in 2011 as part of a TIG for two parcels:
 - 130 Water Street North (Cambridge Mill Developments)
 - 170 Water Street North (Haastown Holdings)
- New TIG Agreement for 130 Water Street North needed
 - Continue to include clause to assign remaining assessment from 170 Water St. N to 130 Water Street North

Region's Share of Joint TIG

\$Thousands	Life to date (2013-2022)	2023	2024	2025	2026	2027	2028	2029	2030	Budget Total
170 Water St (Waterscape 1)	\$226	-	-	-	-	-	-	-	-	\$226
170 Water St (Waterscape 2)	\$301	-	-	-	-	-	-	-	-	\$301
130 Water St	-	\$147	\$147	\$1,269	\$1,269	\$1,269	\$1,269	\$963	\$470	\$6,331
Life to date spent	\$527									
Required budget		\$147	\$147	\$1,269	\$1,269	\$1,269	\$1,269	\$963	\$470	\$6,801
2023-2032 capital program	\$527	\$652	\$534	\$534	\$534	\$534	\$534	\$286	\$238	\$3,846
Increase/(decrease) required to budget	\$0	(\$505)	(\$387)	\$735	\$735	\$735	\$735	\$677	\$232	\$2,956

Staff Recommendation

1. Approve the new TIG agreement terms with owners of 130 Water Street North with the Regional amount not to exceed \$6,801,489, to be financed from the incremental tax revenue for the property following remediation, redevelopment and reassessment
2. Authorize Regional Commissioners to execute a new agreement and other related documents with owners of 130 Water St N
3. Authorize Regional Commissioners to terminate the existing TIG agreement with the owners of 130 and 170 Water St N