



Subject: Community Improvement Plan Application – Part of Lot 24, Simcoe St
Report Number: EDM 24-022

Department: Economic Development Department

Submitted by: Cephas Panschow, Development Commissioner

Meeting Type: Council Meeting

Meeting Date: Monday, June 24, 2024

RECOMMENDATION

- A. THAT Council receives report titled EDM 24-022 Community Improvement Plan Application – Part of Lot 24, Simcoe Street; and,

- B. THAT the Simcoe Street property owned by Harvest Ave Inc be approved as the first recipient funds for a Multi-Residential property outside of the Central Area under the updated Community Improvement Plan, related to the construction of an approximately 132 unit building with a range of 14 to 29 lower than market rate units, at the Strategic Level of the Tax Increment Equivalent Grant Back Program, which offers the following growth related rebates:
 - Years 1 to 6 - 100% rebate of the incremental tax increase
 - Year 7 - 80% rebate
 - Year 8 - 60% rebate
 - Year 9 - 40% rebate
 - Year 10 - 20% rebate
 - with full property taxes being payable in year 11;

- C. THAT the project be approved for the Permit Fee Grant Back Program with a 50% rebate of the building permit fees up to a maximum of \$20,000.

BACKGROUND

The owner of this Simcoe Street property, Harvest Ave Inc, has submitted an application to the Town for property tax and building permit fee rebates in accordance with the Town's Community Improvement Plan (CIP), which was updated earlier this year to expand eligibility for program rebates to multi-residential projects outside of the Central Area. This was done in recognition of Canada's housing challenges and as recommended by the Town's Affordable and Attainable Housing Committee. The purpose of this report is to seek Council's approval for the application, which will support the construction of the first building on the Simcoe Street property, containing approximately 132 units of which approximately 10% (or minimum 14 units) will be

affordable. The first phase will also include many of the amenities identified for the property.

Figure 1 – Conceptual Building Designs and Amenities



DISCUSSION

In reviewing this application, staff believe that it meets the primary intent of the Town's Community Improvement Plan, which is:

“...to stimulate and assist new development, redevelopment and rehabilitation of vacant, underutilized or deteriorated properties in the designated areas of the Town”

Further, it meets the Housing Project Incentive Program goal of increasing the supply of non-market housing, i.e. affordable, attainable or community housing projects (e.g. non-profit owned, Habitat for Humanity) with a target of providing a minimum of 14 units that with a lease rate of 30% of the median renter income within Tillsonburg. The Harvest Ave Inc property owner has submitted an application to the Canada Mortgage and Housing Corporation in this regard.

Harvest Ave Inc has indicated that their plan is to offer the 14 bachelor apartments for affordable units. With the project's proximity to adjacent commercial and industrial

employment areas, these affordable units could potentially help meet the demand for worker entry-level housing.

However, it is also important to offer a variety of different sized units including larger two and/or three bedroom ones. In that regard, the Development Commissioner has asked if larger units could be considered for the affordable ones as well. In response, the applicant has indicated that this is possible, but they are more likely to offer the larger units at an “attainable” level, i.e. below market rates, but above affordable unit market rates. Further, this is contingent on the level of support provided by the Town under this application. If they are approved at the Strategic Level, they will have more ability to offer more lower than market units.

As presented to Council, the applicant is proposing a high design standard for both the buildings but also the property, including the amenities. They are proposing that many of their amenities be part of the first building phase; including a Fitness Centre, Games Room, Lounges, Pet Wash, Pickle Ball Courts, Outdoor BBQ area, EV-chargers, etc.

The applicant has applied for support under the following Community Improvement Plan programs:

Program	Analysis
Permit Fee Grant Back	Recommended for approval up to program maximum of \$20,000
Tax Increment Equivalent Grant Back Program	Recommended for approval

If approved, this will be the first multi-residential project supported outside of the Town’s Central Area and the first multi-residential project approved since the 83 Rolph Street development was first approved in 2018.

The project will also support 50-75 temporary jobs during construction onsite plus third party consultants and other companies. After construction is completed, there will likely be one full time employee in the building; however, there will be a number of companies contracted to maintain the property on an on-going basis.

In terms of tracking the below market rental rates, the Town could prepare a CIP Agreement that includes provisions for the ability of the Town to audit the rental rates. While an agreement is not typically required for funding awarded under its CIP program, the Town has used this approach before for more complex projects (Otter Valley Foods) and certainly makes sense for this application. This could also be accomplished in

conjunction with the County of Oxford should the applicant participant in any of their programs.

CONSULTATION

The Community Improvement Plan was recently updated with extensive consultation and input from the Affordable and Attainable Housing Committee, the Economic Development Advisory Committee and the community. The application has been submitted by an existing property owner in the community and circulated to the Building, Planning and Finance Departments.

The Manager of Housing Development for the County of Oxford has also been involved in the review of this application. The applicant is also discussing participation in the County's housing programs.

FINANCIAL IMPACT/FUNDING SOURCE

The 2024 Economic Development & Marketing budget contains \$60,000 in approved funding for the Community Improvement Plan. Funds awarded to date include the up to \$20,000 building permit rebate for 1417 Bell Mill Side Road (THK) and the other pending application for 77 Broadway also being considered at this meeting. If approved, matching funds up to \$20,000 for Building Permit fee rebates would be funded from this budget amount.

The Financial Impact of the Tax Increment Equivalent Grant Back Program will be based on the final assessment of the building once completed.

The proposed budget for the project submitted through this CIP application is \$37,000,000. If MPAC were to assess the improvements at 60% of this value, the assessment would be approximately \$22,000,000. The annual property tax rebate for years 1-6 would be approximately \$200,000 per year and the cumulative amount of property tax rebates would be approximately \$1,600,000.

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation

Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – The Town of Tillsonburg will accommodate and support sustainable growth

Strategic Direction – Work with Oxford County and the development community to proactively plan for a variety of housing options that are affordable and attainable for current and prospective residents

Priority Project – *Immediate Term* – Enhanced development standards that benefit the community (including tree planting, affordable housing, walkability, livability, connectivity)

ATTACHMENTS

Appendix A – Community Improvement Plan Application