

Date: December 7, 2020

Report To: Planning & Development Executive Committee

From: Cody Vangel, Chief Building Official & Municipal Planner

Re: Newfort Developments & Hillside Construction – CIP Funding Request

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Newfort Developments and Hillside Construction are working partners on the prospective 18-unit, three storey, residential apartment building that is intended to be constructed at 814 Scott Street in late 2020 into 2021. Their team has made application to the Town of Fort Frances Community Improvement Plan Economic Development Financial Incentive Program. Under this program the following may be considered:

Land Availability	Realty Tax Increment	Building Permit Fee
Sign Permit Fee	Plumbing Fee	Municipal Applicants Fee
Contaminated Site Grant	Building Revitalization	Service Connection
Crossing Fee	Site Development/Grade	Tipping Fees

Town administration staff having been working with this group throughout 2020 in hopes to see shovels hit the ground in late 2020. The Newfort/Hillside groups have worked through several planning applications to achieve the appropriate land use designations for the project to take off. The following table will provide a summary of applications and an approximation of the costs associated.

Application	Approximate Cost
Deeming By-Law	\$969.93
Zoning By-Law Amendment	\$1,800.00
Official Plan Amendment	\$3,000.00
Site Plan Control Agreement	\$1,034.10 + legal tbd
<b>Total</b>	<b>\$6,804.03 + legal tbd</b>

In addition to the planning costs associated, there will be a building permit associated with the works. For the type of development, the permit fee will be based on project value. From our discussions with the developer team, the project value will be in the range of \$3,000,000.00. Based on the 2020 user fee schedule the permit fee will be based on the following:

3.1.4	All Other Construction/Demolition Not Conforming to the Above Fee Schedule		
3.1.4.1	1st \$1,000 of Value		56.65
3.1.4.2	Each Additional \$1,000 of Value or Part Thereof		11.30

$$\text{Permit Fee} = (\$56.65 \times 1) + (\$11.30 \times 2999) + (\$11.30 \times 90) = \$34,962.35$$

It should also be noted that the developers team obtained two demolitions permits for the property to remove the existing commercial/residential building and an on-site accessory building. The total value of these two demolition permits was \$667.95.

The assessed value of the development is unknown at this time, as this will be prepared by MPAC upon assessment of the completed project. Preparing a few scenarios based on the estimated project value can provide the committee with a glimpse of what possibilities may arise from a tax generation point of view.

Potential Assessed Value	2020 Municipal Tax Rate New Multi-Residential = 1.750367%	2020 School Tax Rate New Multi-Residential = 0.153%	2020 Total Tax Rate
\$ 1,000,000.00	\$ 17,503.67	\$ 1,530.00	\$ 19,033.67
\$ 1,500,000.00	\$ 26,255.51	\$ 2,295.00	\$ 28,550.51
\$ 2,000,000.00	\$ 35,007.34	\$ 3,060.00	\$ 38,067.34
\$ 2,500,000.00	\$ 43,759.18	\$ 3,825.00	\$ 47,584.18
\$ 3,000,000.00	\$ 52,511.01	\$ 4,590.00	\$ 57,101.01

The prospective project demonstrates compliance with the following aspects of the community improvement plan:

- 2.3 Selection Criteria
  - o provides for a variety of housing types to meet the demands of the present and future inhabitants of the Town
  - o An assessment of economic growth
- 2.4.1.3 Downtown Core and Waterfront Project Area
  - o The project is located within the defined project area
  - o This project entailed the demolition of a building in desperate need of repair, and will replace with a welcoming facility with enhanced streetscape
- 2.5 Economic Development Financial Incentive Programs
  - o The re-development of vacant and under-utilized properties has been identified as a significant issue in many North American municipalities. These sites often possess substantial redevelopment potential and, in many instances, would result in a significant community benefit if rehabilitated and reused. In addition, the more efficient use of land, increased tax assessment, creation of additional jobs and better utilization of infrastructure would be realized.
  - o It is anticipated that redevelopment in the project areas would complement and strengthen the area as well as support surrounding uses currently in existence.

- General Criteria Met

- The applicant must be the registered owner or tenant of the property or have an equitable interest in the property. An Agent may act on behalf of the applicant with required authorization.
- All applications for assistance under this program will be considered subject to the availability of funding and upon approval of Council.
- The properties must be located within one of the identified Community Improvement Project Areas to which the grant or loan program applies.
- The property shall be developed such that the amount of the work undertaken is sufficient to result in the re-assessment of the property.
- Grants/loans will not be given retroactively to recognize projects that have begun without application to the program. Applications must be received prior to any works being done to the associated building or property.
- Development proposed shall comply with applicable zoning regulations or qualify for zoning amendment to be accommodated.
- The total value of funding under any and all programs to any individual site shall be limited to the total value of the rehabilitation, renovation or conversion undertaken.

It should be noted that this program is administered by the Planning and Development Division and that final approvals are by Mayor and Council. The Planning and Development Executive Committee is asked to recommend or reject the application only, and that discussions for project contribution/in-kind services are conducted by the Committee of the Whole.

With the information provided above, administration believes that that the project satisfies a number of general criteria for the Community Improvement Plan and that if funding is available that the value of contribution in form of in-kind services be discussed and confirmed at a future in-camera session of the Committee of the Whole.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Cody Vangel', with a stylized flourish at the end.

Cody Vangel  
Chief Building Official & Municipal Planner