

**Municipality Of Chatham-Kent**  
**Community Development**  
**Planning Services**

**To:** Mayor and Members of Council

**From:** Ryan Jacques, MCIP, RPP  
Manager, Planning Services

**Date:** October 9, 2020

**Subject:** Chatham-Kent Community Improvement Plan  
Property Tax Increment Equivalent Grant Application  
PL202000172 – Isolab Inc.  
7582 Seventh Line West, Community of Raleigh (South Kent)

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**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 Isolab Inc., owner of 7582 Seventh Line West, Community of Raleigh, 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 March 2, 2020, Council approved the Chatham-Kent Community Improvement Plan (CIP), which covers the entire Municipality of Chatham-Kent. The CKCIP 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 March 31, 2022 include:

- Commercial
  - Min \$250,000 eligible cost – 5 years at 100%
- 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 on the south side of Seventh Line West, west of Prosperity Way, in the Community of Raleigh. The subject property is located within the Bloomfield Business Park. The proposed development is for an employment use as defined in the CIP.

Isolab Inc. has applied for a Property Tax Increment Equivalent Grant for the development of a new building, approximately 1,372 sq. m (14,774 sq. ft.) in area. The proposed development has recently received administrative site plan approval and has a declared construction value of \$569,000.

Currently operating in Windsor, Isolab Inc. has been providing installation services of metrology instruments to manufacturers across Canada for more than 60 years. Isolab Inc. also offers calibration services, dimensional inspections, and contract calibration management and training on major precision measuring equipment. As well, Isolab Inc.

also manufactures temperature sensors. Isolab Inc. plans to start manufacturing mineral insulated cables at the new Chatham-Kent facility.

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 and Critical Success Factors**

The recommendation in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

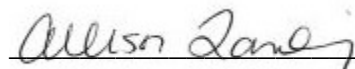
### **Consultation**

There was no consultation necessary for this report.

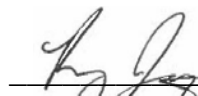
### **Financial Implications**

The Property Tax Increment Equivalent Grant results in the deferred recognition of the municipal share of assessment growth revenue for 5 years.

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