



## The Corporation of the Town of Tecumseh

Planning & Building Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Planning & Building Services

**Date to Council:** December 8, 2020

**Report Number:** PBS-2020-37

**Subject:** Assignment of Gateway Tower Inc. (Valente Development) CIP Grants to Canada Mortgage and Housing Corporation (CMHC)  
Tecumseh Road Main Street Community Improvement Plan  
11870 Tecumseh Road  
OUR FILES: D18 CIPFIP - CIP-04 & 05/20

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### Recommendations

It is recommended:

**That** a by-law authorizing the execution of an Acknowledgement Agreement related to the re-assignment of the Development Charges Grant Program (D18 CIPFIP–CIP-04/20), and the Building and Property Improvement Grant Program (D18 CIPFIP–CIP-05/20) awarded to 11870 Tecumseh Road (Roll No. 374401000000400) - Gateway Tower Inc. (Valente Development) under the Tecumseh Road Main Street Community Improvement Plan (CIP) Financial Incentive Program to Canada Mortgage and Housing Corporation (CMHC), **be approved**, all of which is in accordance with Section 11.2.3 and 11.2.5 of the CIP and with PBS-2020-37.

### Background

The Council-adopted Tecumseh Road Main Street Community Improvement Plan (CIP) applies to an area that represents the historical commercial core of the Town and comprises an approximate 1.2 kilometre corridor centred on Tecumseh Road from the VIA Railway on the east to the Town's border with the City of Windsor just beyond Southfield Drive on the west (see CIP Area in Figure 1). The area encompasses 96 acres and approximately 115 properties with a mix of commercial and residential along with many tracts of underutilized land. The CIP establishes a community developed vision and provides a means for planning and promoting development activities to more effectively and efficiently use lands, buildings,

and facilities. Its goal is to bring about revitalization and encourage both private and public investment in the CIP Area. To help achieve this vision, the CIP provides for a range of financial incentive programs to registered Owners and tenants of land and buildings within the CIP Area.



## CIP Grants Approved to Gateway Tower Inc.

Town Council, at its May 26, 2020 Regular Council Meeting, approved CIP Financial Incentive Program application (D18 CIPFIP–CIP-04/20) under the Development Charges Grant Program, in the amount of \$100,000 to Gateway Tower Inc. (Valente Development), “the Owner”, in relation to the development of a six-storey, 99-unit apartment building at the property located at 11870 Tecumseh Road (see Attachment 1). This approval was communicated to the Owner through written correspondence (see Attachment 2).

In addition, Town Council, at its July 28, 2020 Regular Council Meeting, approved CIP Financial Incentive Program application (D18 CIPFIP–CIP-05/20) under the Building and Property Improvement Grant Program (BPIG) to the Owner. The amount of the grant will be equivalent to the increase of the municipal portion of the tax levy in the first year and the grant will be fixed at this annual amount for five years. Based on the estimated valuation increase, the BPIG grant will equate to approximately \$150,000 per year for five years or \$750,000 in total. This approval was communicated to the Owner through written correspondence (see Attachment 3).

## Application to Canada Mortgage and Housing Corporation (CMHC)

The Owner also filed an application with Canada Mortgage and Housing Corporation (CMHC) under Canada's National Housing Strategy Program for the proposed development. This program aims to promote the construction of new affordable housing within communities. The Owner indicated that Council approval of these grants would offer additional support to the CMHC application approval process and the application was subsequently approved by CMHC.

Recently, the Owner's solicitor advised the Town that the Owner has assigned all of its rights, including its rights to the aforementioned CIP grants, to CMHC as collateral security for its loan. In the event of the Owner's default of the development, CMHC would assume control of the development. In that regard, CMHC is requesting that the Town agree to the aforementioned assignments by way of the execution of an Acknowledgement Agreement. An Acknowledgement Agreement has been prepared by the solicitor for CMHC and signed by the Owner (see Attachment 4). The Town's solicitor, Ed Hooker, has no concerns with the attached agreement.

## Comments

### CIP Grant Details

Section 11.2.3, Development Charges Grant Program of the CIP, contemplates the type of re-assignment being proposed as follows:

"The Development Charges Grant Program shall consist of a grant program, whereby registered property owners **or assignees** will be eligible to receive a grant for all of the development charges owing for certain classes of development when improving buildings or re-developing lands in the Community Improvement Plan Project Area as a means to encourage investment within the designated Community Improvement Project Area."

Similarly, section 11.2.5, Building and Property Improvement Grant Program (BPIG) of the CIP, contemplates a similar re-assignment as follows:

"The Building/Property Improvement Rebate Grant **may be passed on to subsequent owners** for the amount and time left in the original grant payback period."

In accordance with the foregoing provisions of the CIP document, the proposed re-assignment of the awarded CIP Grants is recommended for approval by Council.

## Summary

Based on the foregoing, Administration has no concerns with the proposed re-assignment of the CIP grants awarded by the Town from the Owner to CMHC. Town Administration has reviewed the proposed Acknowledgement Agreement and is prepared to recommend approval of the document.

## Consultations

Financial Services  
Town Solicitor

## Financial Implications

The proposed reassignment of the noted CIP Grants will not affect the CIP's annual budget allocation.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

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## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

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Reviewed by:

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Reviewed by:

Brian Hillman, MA, MCIP, RPP  
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Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

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<b>Attachment Number</b>	<b>Attachment Name</b>
1	Subject Property Map
2	Development Charges Grant Program Approval Confirmation Letter
3	Building and Property Improvement Grant Program (BPIG) Approval Confirmation Letter
4	Acknowledgement Agreement