

# ***BROWNFIELDS TAX ASSISTANCE / BROWNFIELDS TAX INCREMENT GRANT PROGRAM GUIDE***



## **1) Program Description**

The purpose of both the **Brownfields Tax Assistance (BTA) Program** and the **Brownfields Tax Increment Grant (BTIG) Program** is to encourage the environmental remediation, renovation, adaptive re-use, expansion of existing buildings, and the redevelopment of brownfield sites. Both programs apply only to properties where:

- a) environmental remediation and/or risk assessment/management is required to permit the proposed use; and,
- b) the project results in an increase in property assessment and property taxes.

The **BTA Program** provides a cancellation of the property taxes for up to 3 years on a property that is undergoing or has undergone remediation and redevelopment to assist with payment of the cost of environmental studies and environmental remediation.

The **BTIG Program** provide an annual grant for up to 10 years after an eligible project is completed to assist with payment of the cost of environmental studies, environmental remediation, building demolition, renovation/retrofit, construction, and upgrading of on-site infrastructure.

Application can be made for the BTA Program and/or the BTIG Program. If you make application and are approved for both programs, the annual grant available under the BTIG Program (as applicable) will commence once the tax assistance under the BTA Program ends.

## **2) Who can apply?**

Only owners of properties within the Brownfield Community Improvement Project Area may apply for this program. The Brownfield Community Improvement Project Area includes all lands within the Urban Area of the City of Welland and the Northwest Planning and Servicing Study Area. The boundary of this area is shown as the Area Affected by Community Improvement Policies in the attached figure.

The City retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the City or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application.

## **3) What costs are eligible for tax assistance under the BTA Program?**

“Eligible costs” for the BTA Program are the costs of any action taken to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*. This includes the costs of:

- a) a Phase II ESA, Remedial Work Plan, and Risk Assessment/Risk Management Plan not disbursed by the Environmental Study Grant (ESG) Program;  
environmental remediation, including the cost of preparing a record of site condition (RSC);
- b) placing, grading and compacting clean fill required to replace contaminated soils/fill disposed of off-site;
- c) installing, monitoring, maintaining and operating environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan; and,
- d) environmental insurance premiums.

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## **4) How does the BTA Program work?**

For applications approved under the BTA Program, the City will provide municipal (City and Region<sup>1</sup>) property tax assistance in the form of a cancellation of municipal property taxes and the City will apply to the Ontario Minister of Finance for matching cancellation of education property taxes on behalf of the property owner. The total tax assistance provided (City, Region, and Education) will cease:

- a) when the total tax assistance provided equals the total eligible costs (as noted in 3) above); or,
- b) after three (3) years, whichever comes first.

Any property approved for tax assistance will be subject to passing of a by-law by the City that authorizes the provision of the tax assistance. This by-law will contain conditions required by the City as well as conditions required by the Region and the Minister of Finance.

If a property that has been approved for tax assistance is severed, subdivided, sold or conveyed prior to the end of the three (3) year period specified above, both the education property tax assistance and the municipal (City and Region) property tax assistance will automatically end.

## **5) What costs are eligible for a grant under the BTIG Program?**

“Eligible costs” for the BTIG Program include the costs of:

- a) a Designated Substances and Hazardous Materials Survey, Phase II ESA, Remedial Work Plan, and Risk Assessment/Risk Management Plan not covered by the ESG Program or the BTA Program;
- b) environmental remediation, including the costs of preparing a RSC, not covered by the BTA Program;
- c) placing, compacting and grading of clean fill required to replace contaminated soils/fill disposed of off-site not disbursed by the BTA Program;
- d) installing, monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not disbursed by the BTA Program;
- e) environmental insurance premiums not covered by the BTA Program;
- f) removal/abatement of designated substances and hazardous materials;
- g) demolishing buildings;
- h) building construction;
- i) building renovation and retrofit works (excluding permit fees);
- j) upgrading on-site infrastructure, including water services, sanitary sewers and stormwater management facilities.

## **6) How does the BTIG Program work?**

For applications approved under the BTIG Program, the City will provide an annual tax increment based grant for up to 10 years after project completion and occupancy. The applicant will initially pay for the entire eligible costs of the project. Once the project is completed, occupied, and the City receives the incremental property taxes that result from the approved project, the City will reimburse the applicant in the form of an annual grant as follows:

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<sup>1</sup> Authorization of Regional tax assistance is subject to approval of Regional Council or Regional Council’s designate.

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- a) If the eligible property is **inside** the Downtown and Health and Wellness Cluster Community Improvement Project Area, the annual grant will equal 80% of the Municipal (City and Region<sup>2</sup>) property tax increase created by the project for up to 15 years after project completion, or up to the time when total grant payments equal total eligible costs, whichever comes first;
- b) If the eligible property is **outside** the Downtown and Health and Wellness Cluster Community Improvement Project Area, the annual grant will equal 80% of the Municipal (City and Region<sup>2</sup>) property tax increase created by the project for up to 10 years after project completion, or up to the time when total grant payments equal total eligible costs, whichever comes first; and,
- c) If the as-built project **meets the minimum number of City Criteria** as specified in **Attachment 1**, then the 80% in 6a) and 6b) above will be increased to 100%.

Once the approved project is complete and occupied, the City of Welland will begin collecting the increased municipal and education property taxes that result from the rehabilitation/redevelopment project. The City will then reimburse the property owner in the form of an annual grant equivalent to a 80% or 100% of the municipal property taxes that result from the project for up to 10 years, or up to the time when total grant payments equal the total eligible program costs as noted in 5) above, whichever comes first. In no case will the total amount of grants provided for an eligible property exceed the total eligible program costs as noted in 5) above.

## **7) What conditions must be met to be eligible for the BTA Program and/or the BTIG Program?**

- Applications must be made in writing (see attached for Application Form) and approved by the City prior to commencement of any environmental remediation, risk management or site renovation/redevelopment works;
- Applications must be accompanied by:
  - a) a Phase I ESA, and also a Phase II ESA that shows that the property does not meet the standards under subparagraph 4i of Section 168.4(1) of the Environmental Protection Act to permit a Record of Site Condition (RSC) for the proposed use to be filed in the Environmental Site Registry;
  - b) two (2) cost estimates including a work plan for all eligible environmental remediation and/or risk assessment/risk management works, including a description of the proposed remediation methods and technologies to be used, completed by a Qualified Person (QP) (as defined by the *Environmental Protection Act* and Ontario Regulation (O. Reg 153/04);
  - c) two (2) cost estimates prepared by bona fide licensed contractors for all other eligible costs (Items 5f) to 5j) above;
  - d) any other environmental studies or environmental site assessments conducted on the property; and,
  - e) a set of detailed architectural/design and/or construction drawings.
- The City may require submission of a business plan for renovation, development/redevelopment of the property, with said business plan to the City's satisfaction;
- The property shall be renovated or developed/redeveloped such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property by the Municipal Property Assessment Corporation (MPAC) and a corresponding increase in property taxes;

<sup>2</sup> Authorization of the Regional portion of the BTIG is subject to approval of Regional Council or Regional Council's designate.

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- All property owners participating in this program will be required to enter into an Agreement with the City which will specify the terms, conditions, duration and default provision of the tax assistance and/or the grant. Actual costs for any or all items eligible for funding may be subject to audit by the City, at the expense of the property owner;
- All BTA/BTIG Agreements must be approved by City Council;
- If any of the approved eligible works under either the BTA or BTIG Programs are not completed or not completed as approved, if a building(s) erected on a property participating in either the BTA or the BTIG Program is demolished before the tax assistance or tax increment grant period expires, or if the property owner fails to meet any of the program requirements and/or terms and conditions of the BTA/BTIG Agreement, the tax assistance and/or grant may be delayed, reduced, cancelled or repayment of the tax assistance and/or grant may be required by the City;
- The property owner must file a record of site condition (RSC) in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act* and provide the City with a copy of this RSC, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE);
- Property taxes must be in good standing at the time of application and throughout the entire length of the tax assistance and grant period.
- The improvements made to buildings and/or land shall be made pursuant to a building permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and approvals; and,
- Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, CMHC, Federation of Canadian Municipalities, etc...) that can be applied against eligible costs are anticipated or have been secured, these must be declared as part of the BTA/BTIG application. Accordingly, the tax assistance and/or the grant amount may be reduced on a pro-rated basis.

## **8) Can the tax assistance and the grant be retained by the property owner if the property is sold after the property is remediated and renovated/developed/redeveloped?**

The tax assistance cannot be assigned by the property owner and it terminates at the point of sale or conveyance of the property. The grant can be assigned by the property owner to the new property owner at the time of the property sale or transfer subject to approval by the City, or the grant can be retained by the property owner.

## **9) Is there a fee to apply?**

No.

## **10) How do I apply?**

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc...
- b) Complete and submit an application form. Ensure that all required signatures have been provided and that the application is accompanied by all information and documentation as requested in the application form and by City staff.

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### **11) What happens next?**

- Applications and supporting documentation are reviewed by staff to determine eligibility and costs eligible for tax assistance and/or the rehabilitation grant. Staff may request clarification or additional supporting documentation.
- Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- An estimate of the post-project assessed value is calculated based on information provided by the applicant.
- The estimated post-project assessed value is used to calculate the estimated:
  - a) post-project municipal (City and Region) and education property taxes;
  - b) duration of the tax assistance period for municipal and education property taxes;
  - c) total amount of municipal and education property tax assistance to be provided;
  - d) annual grant amount;
  - e) duration of the grant period; and,
  - f) total amount of grant payments.
- Where City staff will be recommending approval of an application to Council, the following documents will be prepared by City staff:
  - a) a Recommendation Report;
  - b) a BTA/BTIG Agreement;
  - c) a Draft By-law authorizing municipal and education property tax assistance under Section 365.1 of the *Municipal Act* (as applicable); and,
  - d) an Application to the Minister of Finance for matching education property tax assistance (as applicable).
- Documents a) – d) are subject to the *Freedom of Information and Protection of Privacy Act*.
- Documents a) – c) are forwarded to Regional Council with a request for matching Regional tax assistance (if applicable).
- Documents a) – d) along with the application form are then forwarded to the MMAH Municipal Service Office (MSO) (if applicable) and any conditions specified by the Minister are included in the By-law.
- The BTA/BTIG Agreement will be forwarded to you for your signature;
- The Recommendation Report, BTA/BTIG Agreement, and the By-law (if applicable) are then forwarded to City Council for approval. You will be notified of Council's decision in writing.
- If Council approves the application, the Agreement will be signed by City officials and a copy will be provided to you;
- Environmental remediation/risk management and property renovation/development/redevelopment works may now commence;
- Municipal (City and Region) and education property taxes will be cancelled for a period of time as specified in the By-law (if applicable);
- You must file a record of site condition (RSC) in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act* and provide the City with a copy of this RSC. You must also provide proof to the City that the RSC has been acknowledged by the Ministry of Environment;
- When the tax assistance period (if applicable) ends, the grant period will begin. At this time, the City will begin collecting the increased municipal and education property taxes that result from the redevelopment project. Each year, once the property owner has paid property taxes in full for that year, the City will issue a grant payment to you or your assignee in the form of a cheque equivalent to the applicable percentage (80% or 100%) increase in municipal property taxes.

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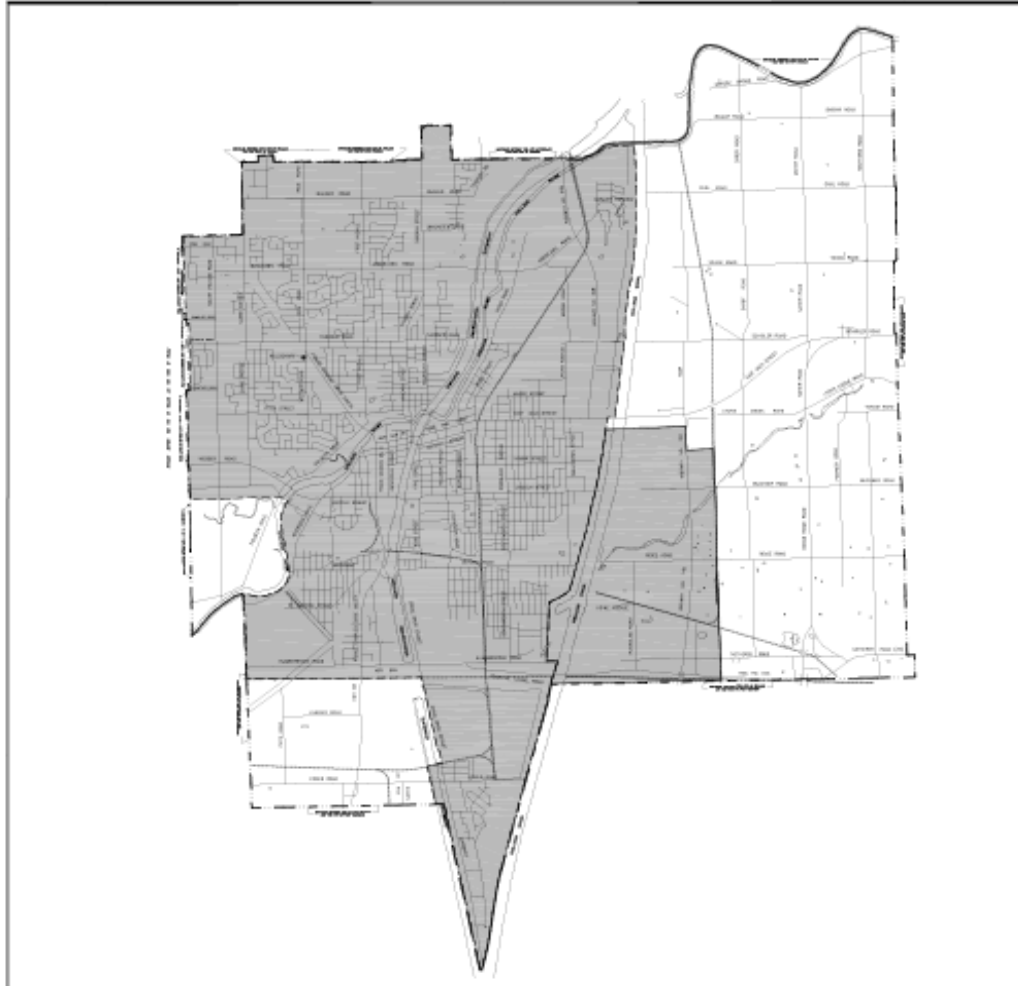
- These grant payments will be issued to you or your assignee for up to 10 years, or up to the time when total grant payments equal total eligible program costs, whichever comes first.

***For further information on this program, please contact Christine Rossetto, Planning Assistant, Integrated Services - Planning Division by phone at 905-735-1700, Extension 2258 or via e-mail at [christine.rossetto@welland.ca](mailto:christine.rossetto@welland.ca)***

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## SCHEDULE "A" - LAND USE PLAN



**SCHEDULE "A" TO AMENDMENT NO. 120  
TO THE OFFICIAL PLAN FOR THE WELLAND PLANNING AREA**

### LAND USE PLAN

NOTE: THIS SCHEDULE FORMS PART OF AMENDMENT NO.120  
TO THE OFFICIAL PLAN FOR THE WELLAND PLANNING AREA  
AND MUST BE READ IN CONJUNCTION WITH THE WRITTEN TEXT



**AREA AFFECTED BY  
COMMUNITY IMPROVEMENT  
POLICIES**



**CITY OF WELLAND  
PLANNING AND DEVELOPMENT SERVICES  
PLANNING DIVISION**

FILE: P:\OPN-SCHED\A20\5000\community-improve-pol-memo.doc Nov. 14, 2006

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***ATTACHMENT 1***

***Criteria for Bump-Up of BTIG from 80% to 100%***

These criteria are listed below and are the same as the criteria specified in Section 21 a) of Development Charges By-law No. 2104-75. In order to achieve the bump-up in the annual grant available under the BTIG Program, in the opinion of the City, the as-built project must include at least 3 of the following 6 features:

- 1) "Intensification of an existing use" meaning redevelopment or building addition so as to add floor area and/or a residential unit or units;
- 2) "Creation of mixed uses" meaning redevelopment, addition or conversion so as to add a new compatible use or uses to a building or property. "Creation of mixed uses" also means new development that proposes a mixed use building or a mix of uses on the site;
- 3) "Contribution towards the creation of a walkable neighbourhood character" meaning development, redevelopment, addition or conversion within a neighbourhood context that features one or more of the following: safe and clearly demarcated pedestrian access to and within the development site, building orientation and pedestrian access oriented toward the street, site and building access directly from the street without requiring passage across driveway or parking area, street-oriented building facade that features fenestration and entranceways to create a sense of permeability and movement between the street and the building interior, contribution to the quality of the public space on the street by the provision of space for public assembly, street furniture, artworks and/or landscaping;
- 4) "Creation of a range of housing opportunities and choices" meaning development, redevelopment, addition or conversion that adds multiple-unit housing types to the housing stock;
- 5) "Reduced setbacks from roadways" meaning development, redevelopment or conversion that places the building facade at the front lot line or closer to the street than the mid-point between the street line and the existing building. Where there is an existing building line along the block-face that is set back from the street line, "reduced front setbacks from roadways" means placing the building facade closer to the street line than the mid-point between the street line and the established building line;
- 6) "Energy Conservation Measures and Environmental Management Efforts," meaning development and redevelopment that features one or more of the following:
  - LEED Certification;
  - Thermal or Ground Source Heating, Use of Alternative Energy, LED Lighting Technology;
  - Intensive landscaping which may assist, for example, in stormwater management;
  - Restoration of natural environment, habitats and heritage features;