
**DOWNTOWN AND HEALTH WELLNESS CLUSTER
TAX INCREMENT GRANT PROGRAM GUIDE**

1) Program Description

This program provides a financial incentive in the form of a grant to promote rehabilitation, redevelopment, infill and intensification projects.

2) Who can apply?

Only owners of properties within the Community Improvement Project Area that meet the program eligibility requirements may apply.

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 and grant agreement.

3) How does the Program work?

The program is structured as a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the project. Then, as the municipality receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant. The grant is equivalent to 80% of the municipal tax increment (the increase in City and Regional property taxes) that results from the project for up to 10 years or up to the time when total grant payments equal the total eligible program costs.

4) What types of properties/projects are eligible for a grant?

Existing commercial, residential and mixed use buildings, vacant properties and parking lots where the redevelopment or rehabilitation project results in an increase in the assessed value and property taxes are eligible. This program does not apply to any residential construction project that creates less than two net residential units and it does not apply to the rehabilitation or upgrading of single detached residential dwellings, unless at least two net residential units are created.

5) What conditions must be met to be eligible for a grant?

In addition to the General Program Requirements, the following program specific requirements must also be met:

- Eligible works must conform to the City’s Urban Design Guidelines, and appropriate reference material as determined by City staff;
- For buildings designated under the Ontario Heritage Act, the restoration and improvement works should be supported by documentation in the form of historic

photographs or drawings clearly showing the feature(s) to be restored or reconstructed;

- The property shall be improved such that the amount of work undertaken is sufficient to at a minimum result in an increase in assessed value of the property by the Municipal Property Assessment Corporation (MPAC);
- The applicant will be required to submit at least two (2) cost estimates from bona fide licensed contractors, including a detailed breakdown of costs;
- The City may require submission of a Business Plan, with said Plan to the City's satisfaction;
- The City may require the applicant to submit for approval impact studies such as traffic studies and studies of microclimatic conditions (sun, shadow, wind);
- If the building receiving a Grant is demolished or any of the heritage features are altered in any way that would compromise the reasons for designation before the grant period expires, the remainder of the monies to be paid out under the grant shall be forfeited, and the City reserves the right to require repayment of grant payments already made;
- Construction of all proposed improvements is to be completed within **xxx (x)** years of the date of approval of the **grant**. If the work is not completed within **xxx (x)** years, the **grant** approval will cease and the **grant** will not be paid;
- For projects on brownfield sites:
 - i) The application must be accompanied by a Phase II ESA, Remedial Work Plan or Risk Assessment Plan prepared by a qualified person that contains a work plan and an estimate of the cost of actions that will be required 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; and,
 - ii) The owner shall file in the Environmental Site Registry a Record of Site Condition (RSC) for the property signed by a qualified person, and the owner shall submit to the City proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

6) Is there a fee to apply?

No.

7) When will the grant funds be advanced?

The first grant payment will be advanced once:

- a) a Grant Agreement has been signed and executed;
- b) construction is complete;
- c) the building has been inspected by municipal staff;
- d) the property has been revalued by the Municipal Property Assessment Corporation (MPAC);
- e) Municipal property taxes have been levied based on the new assessment value;
- f) Municipal property taxes have been paid in full for at least one year after municipal property taxes have been levied based on the new assessment value; and,
- g) all assessment appeals have been resolved.

8) Can the grant be retained by the approved applicant if the property is sold?

Yes, subject to approval by the City.

9) Can the grant be assigned to a new property owner if the property is sold?

Yes, subject to approval by the City.

9) What are the default provisions?

The default provisions are contained in the Grant Agreement. Payment of the grant may be delayed or cancelled by the City if:

- property taxes are more than one (1) year in arrears;
- the building is demolished or any of the heritage features are altered in any way that would compromise the reason for designation;
- the applicant declares bankruptcy;
- the applicant uses the grant for improvement works that are not eligible;
- the applicant fails to maintain the improvements as required in the Grant Agreement; and,
- the applicant is in default of any of the provisions of the Grant Agreement.

10) How do I apply for a grant?

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc...
- b) If authorized to apply for a grant, complete an application form and ensure that your application includes all of the information requested in the application form and the required documents checklist.

11) What happens next?

- Applications and supporting documentation are reviewed by staff to ensure that they meet all of the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing.
- Staff may request clarification or additional supporting documentation.
- Once you have submitted a complete application, you will be notified of this in writing.
- Staff will perform an initial site visit(s) and inspection(s) of the property (as necessary).
- A recommendation on the grant application will be made by staff and forwarded to Council or Council's designate.
- An estimate of the post-project assessed value is calculated based on information provided by the applicant or the applicant may be asked to obtain an estimate of the post-project assessed value from MPAC.
- The estimated post-project assessed value is used to calculate the estimated grant.
- You will be notified in writing of the decision made by Council or Council's designate on your application.
- If Council or Council's designate approves of your application, you will be sent a Grant Agreement for your signature, and then the grant agreement will be executed by the City. A copy of the executed agreement(s) is then returned to you for your records.
- Construction of the approved works may now commence, subject to issuance of a building permit(s).
- Contact City staff toward the completion of the works.

- Upon completion of the works, staff will conduct a final site visit(s) and inspection(s) (as necessary) to ensure compliance with the Grant Agreement, Urban Design Guidelines, and any permits pursuant to the Ontario Heritage Act.
- Once the rehabilitation/redevelopment project is complete and the property has been re-valued by the MPAC, the City will check to see that the property is not in tax arrears, and then use the new assessment value to calculate the actual municipal tax increment and the grant amount.
- The City will send a new property tax bill to the owner.
- Once payment of property taxes has been received in full for one year (or equivalent) by the City, the City will issue payment of the grant in the form of a cheque in the amount specified as per the calculation of the actual grant.

For further information on this program, please contact Christine Rossetto, Planning Assistant at (905) 735-1700, Extension 2258 or via e-mail at christine.rossetto@welland.ca