



PLANNING AND ECONOMIC DEVELOPMENT

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| POLICY AND PROCEDURE MANUAL | | | |
| POLICY NO. | PED-07 | PAGE NO. | Page 1 of 4 |
| AUTHORITY | Council Resolution No. 8 | APPROVAL DATE | December 8, 2009 |
| | | EFFECTIVE DATE | January 1, 2010 |
| | | LAST REVISION DATE | |
| SUBJECT | <i>Rehabilitation Tax Increment Based Grant Program</i> | | |

PURPOSE

The purpose of the Rehabilitation Tax increment Based Grant Program is to encourage the remediation, rehabilitation and adaptive re-use of downtown/brownfield properties to help offset the cost of rehabilitating only where that rehabilitation results in an increase in assessment value and property taxes increase on these properties.

POLICY STATEMENT

Norfolk County's Community Improvement Plan establishes a framework for Norfolk County to support and implement programs that may be utilized to encourage the maintenance, rehabilitation and redevelopment of the county.

General Program Eligibility Requirements - the following eligibility requirements shall apply to all of the Rehabilitation Tax Increment Based Grant Program:

- An Applicant who is in arrears of property tax or any other Municipal financial obligation is not eligible to participate in a program approved by Council, an exception to this requirement may be approved for the purposes of Environmental Assessment Grants;
- An Applicant may be required to provide a business plan for the proposed work as part of a program application;
- The total value of grants and loans received for a subject property shall not exceed the cost of rehabilitating the lands and buildings;
- The County may undertake an audit of work done and associated costs if it is deemed necessary;
- An Applicant will enter into an agreement with the County, which will specify the terms of the grant/loan;
- If a building, erected or improved with a program grant or loan, is demolished prior to the expiry of the grant or loan period, the grant or loan is forfeited and will be recovered by the County;
- If a building, erected or improved with a program grant, is sold prior to the expiry of the grant period, the grant is immediately cancelled unless the Municipality deems it appropriate to enter into an agreement with the new owner for continuation of the program grant.

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- Proposed work will conform with all Municipal policies, standards and procedures including zoning, design guidelines (if any) and heritage matters and will be subject to review and the issuance of necessary planning and development approvals and building permits pursuant to the Ontario Building Code;
- Any outstanding work orders registered against the subject property must be satisfied prior to the grant/loan being made or be satisfied as part of the proposed work; and
- The County may at any time discontinue this program; however, any participants in the program prior to its closing will continue to receive loans or grants as approved for their property until the conclusion of their project.
- County Council will approve, annually, the budgets associated with implementation of the financial incentives proposed in this plan. Budget allocation will be dependent on the resources available and will be determined at the sole discretion of Council.
- County Council will adopt a detailed implementation strategy/action plan that will, among other things, establish staff and other resources necessary for implementation of the Plan. The strategy/action plan will set out the timing for further development of the various projects and programs and will establish the means by which implementation will be monitored.
- The Plan will be assessed periodically. The Scope of the Plan may be adjusted if determined to be necessary for the successful implementation of the Plan. Amendments to the Plan that include a change in eligibility criteria, the addition of new incentives and/or an increase to a financial incentive offered must be approved by the Minister. The municipality may discontinue or cancel a program at the sole discretion of Council.

DEFINITIONS

Successful Completion of Approved Work means that the work as described in the application form and building permit application has been completed as documented by municipal building inspection staff.

Consistent with the Goals of the Plan refers to the overall goals of the Community Improvement Plan as described in Part B.

Downtown/Brownfield means undeveloped or previously developed properties that may be contaminated. Usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant.

Calculation of Annual Tax Increment means that the calculation is based on the difference between the Pre-Improvement Assessment Value and Post-Improvement Assessment Value. This annual tax increment is fixed for the ten (10) year duration of the grant schedule. Changes to the mill rate, general reassessments or changes in the tax legislation will not be considered for the purpose of calculating the annual tax increment.

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Pre-Improvement Assessment Value means that for the purpose of calculating the annual tax increment, the pre-improvement assessment value of the property will be established as of the date a Building Permit is issued.

Post-Improvement Assessment Value means that for the purpose of calculating the annual tax increment, the post-improvement assessment value will be based on: (1) successful completion of the project, and (2) completion of a reassessment of the property so that the work done at the project completion date is recognized. Future increases in taxes that may be phased in after the post-improvement assessment date, will not be eligible for grant calculation.

Municipal Portion of Property Tax means that for the purpose of the tax rebate/relief programs, property taxes refer only to the municipal portion of the taxes paid, and does not include such charges/taxes/levies as education, water, sewer, or phase in.

IMPLEMENTATION PROCEDURE

Applicant

The applicant must be the registered owner of the property. The applicant should arrange a pre-application meeting or consultation with staff in order to determine program eligibility, proposed scope of work and project timing.

The applicant will be required to enter into an agreement with the Municipality, this agreement will specify the terms and conditions of the grant. All applications will be subject to the approval of Council or Council's designate.

Program Criteria and Approval Process

Only one application can be made for a property under this program. An application must be submitted prior to the commencement of any works and prior to application for any permits. Such application shall include reports, plans, estimates, contracts and any other details as may be required to satisfy the Municipality with respect to conformity of the project with the Community Improvement Plan.

The General Manager of Planning & Economic Development or designate shall review each application to ensure the eligibility of the Applicant and shall approve successful applicants in accordance with the provisions of the Policy.

The amount of the grant is calculated as follows:

- reassessment will be determined by MPAC and, once any appeals are resolved, the value of the incremental increase will be calculated and "crystallized" to determine the grant equivalent for the term of the grant.
- Years 1 to 5 – 80% of the increase in the municipal portion of the property taxes resulting from the reassessment of the property following its approved redevelopment
- Years 6 & 7 – 60%
- Year 8 – 40%
- Years 9 & 10 – 20%

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The term of the grant is 10 years or when the total grant equals the total cost of rehabilitating the land and buildings whichever comes first.

Each year the Municipality pays the grant within 20 working days of the property owner paying the property taxes in full.

Redevelopment proposals must conform with guidelines as approved by the Municipality.

Eligible Costs

For example, the Rehabilitation Tax Increment Based Grant Program could include the following eligible costs:

- Phase II Environmental Site Assessment, Phase III Environmental Site Assessment and Risk Assessment Plans not covered by the Environmental Study Grant Program;
- Environmental remediation, including the cost of preparing a Record of Site Condition;
- Placing clean fill and grading;
- Installing environmental and/or engineering controls/works, as specified in the Phase III Environmental Site Assessment and/or Risk Assessment Plan;
- Environmental insurance premiums;
- Demolishing buildings;
- Building rehabilitation and retrofit works;
- Upgrading on-site infrastructure, including water services, sanitary sewers and storm water management facilities;
- Construction/upgrading off-site infrastructure, including water services, sanitary sewers, storm water management facilities, electrical and gas utilities.

However, **grants shall not exceed the cost of rehabilitation.**

ATTACHMENT

N/A