

1) Program Description

This program provides a financial incentive in the form of a grant to promote reurbanization projects that are green and sustainable.

2) Who can apply?

Only owners of properties within the Northdale 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. Council retains the right to decide to refuse an application, ensuring that the program will not negatively impact the City's budget.

3) What types of reurbanization properties/projects are eligible to apply for a grant?

The following types of reurbanization projects within the Northdale Community Improvement Project Area are eligible to apply for a grant:

- i) Repair, renovation, expansion or redevelopment of existing residential, commercial and mixed use¹ buildings where said activity results in an increase in the assessment value and taxes on the property; and
- ii) New residential, commercial and mixed use building construction on vacant properties lots where said activity results in an increase in the assessment value and taxes on the property.

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 repair, renovation, expansion or redevelopment of single detached residential dwellings, unless at least two net residential units are created. The program does not apply to the conversion of a single detached residential dwelling into a duplex. This program also does not apply to existing or proposed lodging houses or to short or long-term care facilities.

4) How does the Program work?

The program is structured as a "pay-as-you go" program. If the grant application is approved by Council, the owner is expected to initially pay for the entire cost of the reurbanization project. Then, as the City receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant ONLY if the as-built project conforms with at least 6 of the City's 10 Sustainability Strategies for Private Developments (see Sustainability Strategies for Private Developments attached to this Program Guide).

As shown in **Table 1 below**, the availability and the amount of the annual grant to be paid out by the City is dependant on the number of Sustainability Strategies that the as-built project conforms with.

¹ Mixed use means the presence of two or more different uses within the same complex or same building.

NORTHDALE TAX INCREMENT BASED GRANT PROGRAM GUIDE

Table 1 Tax Increment Grant Application Evaluation Matrix

As-Built Project Achieves:	Annual Grant as a % of City Property Tax Increase Generated by the Project
Conformity with 6 or fewer of 10 Sustainability Strategies	No Grant
Minimum 25% energy and greenhouse gas efficiency improvement beyond the most recent version of the Ontario Building Code, Part 12, and conformity with 7 of 10 Sustainability Strategies	40%
Minimum 25% energy and greenhouse gas efficiency improvement beyond the most recent version of the Ontario Building Code, Part 12, and conformity with 8/9 of 10 Sustainability Strategies	60%
Minimum 25% energy and greenhouse gas efficiency improvement beyond the most recent version of the Ontario Building Code, Part 12, and conformity with all 10 Sustainability Strategies	80%

The annual grant will be paid by the City for up to 10 years, or up to the time when total grant payments equal the total eligible program costs. ***N.B. The annual grant applies only to the City property tax increase generated by the reurbanization project. The annual grant does not include the Regional or Education property tax component.***

Also, the total annual Tax Increment Grant (or combination of any type of Tax Increment Grants) on a property shall not exceed the total incremental taxes per year on that property as a result of the development.

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:

- The applicant will be required to submit an estimate for the total construction cost of the reurbanization project prepared by a bona fide licensed contractor;
- 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);
- Professional design/ architectural drawing(s) and all eligible works must conform to City Design Guidelines, and appropriate reference material as determined by City staff;
- The City may require submission of a Business Plan, with said Plan to the City’s satisfaction;
- 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;
- 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.

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 property has been revalued by the Municipal Property Assessment Corporation (MPAC);
- d) Municipal property taxes have been levied based on the new assessment value;
- e) 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,
- f) 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; however TIGs can be assigned only to a single new owner.

10) 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.

11) 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 and documentation requested in the application form and the required documents checklist.

12) 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.
- Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- A recommendation on the grant application will be made by staff and forwarded to Council.

- If staff is recommending approval of your application, you will be provided with a Grant Agreement for you to sign and return to staff prior to Council's consideration of your application.
- An estimate of the post-project assessment 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.
- If your application is approved by Council, the Grant Agreement will then be executed by City officials, and a copy of the executed agreement 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 staff toward construction completion.
- Upon completion of the works, the applicant will be required to submit to City staff:
 - a) photographic evidence of the completed project satisfactory to the City;
 - b) actual construction cost of project;
 - c) other documentation proving completion of the project, e.g., engineer's report (if required);
 - d) a report showing which of the Sustainability Strategy components were built into the project; and,
 - e) any other final reports and documentation as required.
- Staff will conduct a final site visit(s) and inspection(s) (as necessary) to ensure compliance with the Grant Agreement, City Guidelines, and any permits pursuant to the *Ontario Heritage Act*.
- Once the reurbanization 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 City property 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 Economic Development at 519-747-8706 or ecodevinfo@waterloo.ca