

The Planning Act – Section 28

**PROGRAM GUIDE FOR CITY OF PORT COLBORNE
EAST WATERFRONT COMMUNITY IMPROVEMENT PLAN
REVITALIZATION (TAX INCREMENT) GRANT**

This guide is to be used by persons wishing to apply for Community Improvement Plan funding for the incentive programs offered under the Downtown Central Business District Community Improvement Plan by the City of Port Colborne.

Further Information:

For more information regarding the Revitalization (Tax Increment) Grant Program please contact:

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Program Description

The purpose of the Revitalization (Tax Increment) Grant is to provide a financial incentive in the form of a grant to promote rehabilitation, redevelopment, infill and intensification projects. Only those projects that result in an increase in property assessment and property taxes will be eligible for funding under this program.

Frequently Asked Questions (FAQs)

1. *Who can apply?*

Only owners of properties within the Port Colborne East Waterfront Community Improvement Plan 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.

2. *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.

3. *What types of works are eligible for funding?*

Existing commercial, residential and mixed use buildings (including commercial/residential, commercial/institutional and other mixed uses containing a commercial use), vacant properties and parking lots are eligible. This program does not apply to any residential 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. This program does not apply to existing or proposed second level lodging houses or to short or long-term care facilities.

4. *What conditions must be met to be eligible for a grant?*

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

- i) 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);
- ii) The City may require submission of a Business Plan, prepared to the City's satisfaction;

- iii) The applicant will be required to submit an estimate of the total cost of the rehabilitation/redevelopment works prepared by a licensed bona fide contractor; and
- iv) 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 re-payment of grant payments already made.

5. *Is there a fee to apply?*

No.

6. *When will the grant funds be advanced?*

The first grant payment will be advanced once:

- i) A Grant Agreement has been signed and executed;
- ii) Construction is complete;
- iii) The property has been re-valued by the Municipal Property Assessment Corporation (MPAC);
- iv) Municipal property taxes have been levied based on the new assessment value;
- v) Municipal property taxes have been paid in full for at least one (1) year after municipal property taxes have been levied based on the new assessment value; and
- vi) All assessment appeals have been resolved.

7. *Can the grant be retained by the approved applicant if the property is sold?*

Yes, subject to approval by the City.

8. *Can the grant be assigned to a new property owner if the property is sold?*

Yes, subject to approval by the City.

7. *What are the default provisions?*

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

- i) Property taxes are more than one (1) year in arrears;
- ii) The building is demolished or any of the heritage features are altered in any way that would compromise the “Reason for Designation”;
- iii) The applicant declares bankruptcy;
- iv) The applicant uses the grant for works that are not eligible for this program;
- v) The applicant fails to maintain the improvements as required in the Grant Agreement; and
- vi) The applicant is in default of any of the provisions of the Grant Agreement.

8. *How do I apply for a grant?*

In order to apply for a grant, an applicant must arrange for a pre-application meeting with staff in order to determine program eligibility, proposed scope or work, project timing etc.

Once authorized to apply for a grant, the applicant must complete and submit an application form, ensuring that all required signatures have been provided and that the application is accompanied by all required documentation as shown on the required documents list.

9. *What happens next?*

The following is a basic outline of what occurs, once the application is submitted:

- i) Application 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.
- ii) Staff will perform an initial site visit(s) and inspection(s) of the property (as required).
- iii) 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.
- iv) The estimated post-project assessed value is used to calculate the estimated grant and estimated duration of the grant.



- iii) A recommendation on the grant application is made by Staff and forwarded to the appropriate approval authority.
- iv) If your application is approved, the Grant Agreement is then executed by the City. A copy of the executed agreement(s) is then returned to you for your records.
- v) Construction of the approved works may now commence, subject to the issuance of any building permits (as required).
- vi) Once the rehabilitation/redevelopment project is complete and the property has been re-valued by MPAC, the City will check to see if the property is not in tax arrears, and then use the new assessed value to calculate the actual municipal tax increment and the grant amount.
- vii) The City will send a new property tax bill to the owner(s).
- viii) Once payment of property taxes has been received in full for one (1) 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 visit our website at
http://www.portcolborne.ca/page/waterfront_cip

Or contact Amy Dayboll at 905-835-2901 x 204 or via email at amydayboll@portcolborne.ca.