

The Planning Act – Section 28

**PROGRAM GUIDE FOR CITY OF PORT COLBORNE
BROWNFIELD COMMUNITY IMPROVEMENT PLAN PROPERTY TAX
ASSISTANCE/BROWNFIELD REHABILITATION GRANT**

This guide may be used by persons wishing to apply for Community Improvement Plan funding for the incentive programs offered under the Brownfield Community Improvement Plan by the City of Port Colborne.

Further Information:

For more information regarding the Brownfield Community Improvement Program please contact:

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Program Description

The intent of the Brownfield Property Tax Assistance Program (TAP) is to provide a financial incentive in the form of a freeze of Municipal (City and Region) property taxes for up to three (3) years and education property taxes for up to three (3) years during and after the remediation and redevelopment of a brownfield property to help offset the costs of environmental remediation.

The intent of the Brownfield Rehabilitation Grant Program is to provide a financial incentive in the form of an annual grant for up to twelve (12) years after the remediation and redevelopment of a brownfield property to help offset the cost of environmental remediation, rehabilitation, adaptive re-use and redevelopment.

Application can be made for the Brownfield Property TAP, the Rehabilitation Grant Program, or both programs using the Brownfield Property Tax Assistance/Brownfield Rehabilitation Grant Application Form. If approved for both programs, the annual grant available under the Brownfield Rehabilitation Grant Program will commence once the tax assistance under the Brownfield Property TAP ends.

Note: Applicants with an approved Rehabilitation Grant have the option of applying their approved environmental assessment, remediation and risk assessment costs against Development Charges payable (up to 70% of development charges payable) at the time of building permit issuance, after any development charge credits for demolished space have been applied.

Frequently Asked Questions (FAQs)

1. *What types of properties are eligible for the Brownfield TAP and Brownfield Rehabilitation Grant Programs?*

The purpose of both programs is to encourage the environmental remediation, rehabilitation, adaptive re-use and redevelopment of brownfield properties. Therefore, only properties where environmental remediation and/or risk assessment/management is required to permit the proposed use and projects that result in an increase in property assessment and property taxes, will be eligible for funding under either of the programs.

2. *Who can apply?*

Only owners of properties within the Urban Area, as amended, of the City of Port Colborne may apply. Application forms and information regarding the Strategy and Community Improvement Plan is available on the City's website at www.portcolborne.ca/page/brownfields_CIP or in the Planning and Development Services Department at City Hall.

3. *What costs are eligible for tax assistance under the Brownfield Property TAP?*

"Eligible costs" for the TAP 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 cost of:

- Phase II ESAs, Designated Substances and Hazardous Materials Surveys, Remedial Work Plans, and Risk Assessment/Risk Management Plans not covered by the Environmental Site Assessment Grant Program;
- Environmental remediation, including the costs of preparing a Record of Site Condition (RSC);

- Placing clean fill and grading;
- Installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan;
- Monitoring, maintaining and operating environmental and engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan; and
- Environmental Insurance Premiums

4. *How does the Brownfield Property TAP work?*

Under the TAP program, municipal (City and Region) property taxes will be frozen for up to three (3) years and education property taxes (subject to approval from the Ontario Ministry of Finance) will be frozen for up to three (3) years after the passing of a by-law to freeze municipal and education property taxes on an eligible property, or up to the time when the total amount of municipal and education property tax assistance provided equals the total eligible program costs as noted in above, whichever comes first. The total amount of tax assistance provided equals the different between property taxes at their frozen level and property taxes that would have been collected had the taxes on the property not been frozen. In no case will the total amount of tax assistance provided for an eligible property exceed the total eligible program costs as noted above.

5. *What costs are eligible for a grant under the Brownfield Rehabilitation Grant Program?*

- a) A feasibility study not disbursed by the Feasibility Study Grant;
- b) Phase II ESAs, Designated Substances and Hazardous Materials Surveys, Remedial Work Plans and Risk Assessment not disbursed by the Environmental Site Assessment Grant Program or the Brownfield Property TAP program;
- c) Environmental remediation including the costs of preparing an RSC, not disbursed by the Brownfield Property TAP program;
- d) Placing clean fill and grading, not disbursed by the Brownfields Property TAP program;
- e) Installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan, not disbursed by the Brownfield Property TAP program;
- f) Monitoring, maintaining and operating environmental and/or engineering controls/works, as specified in the Remedial Work Plan and or Risk Assessment/Risk Management Plan, not disbursed by the Brownfield Property TAP program;
- g) Environmental insurance premiums not disbursed by the Brownfield Property TAP program;
- h) The following Leadership in Energy and Environmental Design (LEED) Program components:
 - Base plan review by a certified LEED consultant;
 - Preparing new working drawings to the LEED standard;
 - Submitting and administering the constructed element testing and certification used to determine LEED designation
 - Increase in material/construction cost of LEED components over standard building code requirements to a maximum of 15% of the total construction costs
- i) Demolishing buildings (excluding permit fees)
- j) Building rehabilitation and retrofitting works (excluding permit fees);
- k) Upgrading on-site infrastructure including, but not limited to: water services; sanitary sewers; and stormwater management facilities;
- l) Constructing/upgrading off-site infrastructure including, but not limited to: roads; water services; sanitary sewers; stormwater management facilities; and electrical and gas utilities, where this is required to permit remediation, rehabilitation and/or adaptive reuse of the property that is subject of the application

6. *How does the Rehabilitation Grant Program Work?*

Once the Brownfield Property TAP program ends, the City of Port Colborne will begin collecting the increased municipal and education property taxes that result from the rehabilitation and/or redevelopment project. The City will then reimburse the property owner in the form of an annual grant equivalent to a percentage of the increase in municipal property taxes that results from the project (as show in the table below) for up to twelve (12) years, or up to the time when the total grant payment equals the total eligible program costs as noted 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 above.

Brownfield Rehabilitation Grant Levels

Type of Brownfield Redevelopment Project	Grant Level
Project incorporates all five (5) of the Niagara Region Smart Growth Principles; or the project uses a treatment based remediation approach, in-situ or ex-situ; or the project achieves any level of LEED certification	100%
Project incorporates four (4) of the five (5) Niagara Region Smart Growth Principles	80%
All other projects	60%

In no case will the total amount of tax assistance provided under the Brownfield Property TAP program, the total amount of grants provided under the Brownfield Rehabilitation Grant Program, and the total amount of any other grants provided by the City under other programs exceed the total cost of rehabilitating the land and buildings.

7. *What are the Niagara Region Smart Growth Principles?*

The Niagara Region Smart Growth Principles are based on the Niagara Region’s Smart Growth Design Criteria. The five (5) Smart Growth Principles are:

a) **Intensification of an Existing Use**

Redevelopment or building addition that adds floor area and/or a residential unit(s).

b) **Creation of Mixed Uses**

Redevelopment, addition or conversion that adds a new compatible use or uses to a building or property or new development that proposes a mixed use building or a mix of uses on the site.

c) **Contribution towards the Creation of a Walkable Neighbourhood Character**

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 a driveway or parking area;
- Street oriented building facade featuring fenestration and entranceways that create a sense of permeability and movement between the street and building interior;
- Contribution to the quality of the public space on the street by the provision of space for public assembly; and
- Street furniture, artworks and/or landscaping

d. **Creation of a Range of Housing Opportunities and Choices**

Development, redevelopment, addition or conversion that adds multiple unit housing types to the housing stock.

e. **Reduced Setbacks from Roadways**

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 setbacks from roadways” shall mean placing the building facade closer to the street line than the mid-point between the street line and the established building line.

8. *What conditions must be met to be eligible for the Brownfield Property TAP program and the Brownfield Rehabilitation Grant Program?*

The following conditions must be met in order to be eligible for either the Brownfield Property TAP or Brownfield Rehabilitation Grant Programs:

- a) Applications must be made in writing and approved by the City prior to the start of any environmental remediation, risk management or site rehabilitation works and include:
- b) All environmental studies conducted on the property;
- c) A detailed work plan and cost estimate prepared by a qualified person (as defined by the Environmental Protection Act and Ontario Regulation 153/04) for all eligible environmental works to be conducted on the property (if not included in the environmental studies)
- d) A cost estimate for eligible LEED program component costs;
- e) A detailed cost estimate prepared by a bona fide contractor for all eligible rehabilitation/redevelopment works to be conducted on the property;
- f) A set of detailed architectural/design and/or construction drawings.
- g) The City may require submission of a business plan, to their satisfaction;
- h) The property shall be rehabilitated such that the amount of work undertaken is sufficient to at a minimum result in the assessed value of the property by the Municipal Property Assessment Corporation (MPAC) and an increase in property taxes;

- i) All property owners participating in this program will be required to enter into a Brownfield Property Tax Assistance/Rehabilitation Grant Program Agreement with the City which will specify the terms and conditions 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.
 - j) All Brownfield Property Tax Assistance/Rehabilitation Grant Agreements must be approved by City Council;
 - k) If any of the eligible works under either the Brownfield Property Tax Assistance or Brownfield Rehabilitation Grant Programs are not completed or not completed as approved, if a building(s) erected on a property participating in either of the programs is demolished before the Tax Assistance or Rehabilitation Grant Agreement period expires, or if the property owners fails to meet any of the program requirements and/or terms and conditions of the Brownfield Property Tax Assistance/Rehabilitation Grant 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;
 - l) The property owner must file a Record of Site Condition (RSC) in the Environmental Site Registry, Section 168.4 of the *Environmental Protection Act* and provide the City with a copy and proof that the RSC has been acknowledged by the Ministry of Environment;
 - m) Property taxes must be in good standing at the time of application and throughout the entire length of the tax assistance and grant period;
 - n) 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
 - o) Where other sources of government and/or non-profit organizations funding (Federal, Provincial, Municipal, Federation of Canadian Municipalities etc...) are anticipated or have been secured, these must be declared as part of the attached application. Accordingly, the tax assistance and/or the grant amount may be reduced on a pro-rated basis.
9. *Can the tax assistance and the grant be retained by the property owner if the property is sold after the property is remediated and rehabilitated?*

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

10. *How do I apply my environmental assessment, remediation and risk assessment program component costs approved under the Brownfield Rehabilitation Grant Program against payable development charges?*

Cost items described in this Program Guide (described in FAQ #5) are eligible for the Brownfield Development Charge Exemption Program. Once you have an approved Brownfield Rehabilitation Grant application and agreement, you may apply the total of cost items described against City development charges up to a 70% reduction of the payable City development charges. If you wish to exercise this option, you must check the appropriate box on the application form. If you exercise this option, the total of the cost items applied against payable City development charges (development charges exempted) will be deducted from the Brownfield Rehabilitation Grant to be paid to you. If your project achieves at least an 80% tax increment grant level under the Brownfield Rehabilitation Grant Program, the cost of remediation applied against the development charges payable (development charges exempted) will not be deducted from the Brownfield Rehabilitation Grant to be paid.

11. *Is there a fee to apply?*

No.

12. *How do I apply?*

In order to apply for the Brownfield Property TAP program or the Brownfield Rehabilitation Grant Program you must first arrange a pre-application meeting with Staff in order to determine program eligibility, proposed scope of work, project time etc. Once you have done this, and Staff is satisfied that you can proceed you will be required to complete and submit an application. Please ensure that all required signatures have been provided and that the application is accompanied by all required documentation as shown in the Required Documents List.

13. *What happens next?*

- a) Applications and supporting documentation are reviewed by Staff to determine eligibility and costs eligible for tax assistance and/or the rehabilitation grant.
- b) Staff may request clarification or additional supporting documentation.
- c) Staff will perform an initial site visit(s) and inspection(s) of the property (if required).
- d) An estimate of the post-project assessed value is calculated by the City 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.
- e) The estimated post-project assessed value is used to calculate the estimated:
 - Post-project municipal (City and Region) and education property taxes;
 - Duration of the tax assistance period for municipal and education property taxes;
 - Total amount of municipal and education property tax assistance to be provided;
 - Annual grant;
 - Duration of the grant period; and
 - Total amount of grant payments.
- f) Where City Staff will be recommending approval of an application to Council, the following documents will be prepared by City Staff:
 - Recommendation report;
 - Brownfield Property Tax Assistance/Rehabilitation Grant Agreement;
 - Draft By-law authorizing municipal and education property tax assistance under Section 365.1 of the *Municipal Act*; and
 - An application to the Minister of Finance for matching education property tax assistance.
- g) The documents prepared by City Staff are subject to the Freedom of Information and Privacy Act.
- h) The documents prepared by City Staff along with the Brownfield Property Tax Assistance/Rehabilitation Grant application are then forwarded to the Minister of Municipal Affairs and Housing (MMAH) Municipal Service Office (MSO) and any conditions specified by the Minister of Finance are included in the By-law.
- i) The Brownfields Property Tax Assistance/Rehabilitation Grant Agreement will be forwarded to you for your signature.
- j) The Recommendation Report, Brownfield Property Tax Assistance/Rehabilitation Grant Agreement, and the By-law are then forwarded to City Council for approval. You will be notified of Council's decision in writing.

- k) If Council approves the application, the Agreement will be signed by City officials and a copy will be provided to you.
- l) Once the agreement is signed, environmental remediation/risk management and property rehabilitation works may now commence.
- m) Municipal (City and Region) and education property taxes will be frozen for a period of time as specified in the By-law.
- n) 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 that the RSC has been acknowledged by the Ministry of Environment (MOE).
- o) When the Tax Assistance period ends, the Rehabilitation Grant period will begin. At this time, the City will begin collecting the increased City and education property taxes that result from the rehabilitation/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 increase in municipal property taxes depending on the grant level of the approved Brownfield Rehabilitation Grant. These grant payments will be issued to you or your assignee for up to twelve (12) years or up to the time when total grant payments equal total eligible program costs, whichever comes first.
- p) If you indicated in your Brownfield Property Tax Assistance/Rehabilitation Grant application that you wish to exercise the Development Charge Exemption option, you may exercise this option at the time of building permit issuance. If you choose to exercise this option, your approved Brownfield Rehabilitation Grant amount will be reduced by the amount of eligible costs applied against development charges payable if your project does not achieve an 80% or 100% grant level.

For further information on this program, please contact Heather Mahon at 905-835-2901 x 205 or via email at heathermahon@portcolborne.ca