



BROWNFIELDS PROPERTY TAX ASSISTANCE / REHABILITATION GRANT PROGRAM GUIDE

1) Program Description

The intent of the **Brownfields Property Tax Assistance Program** is to provide a financial incentive in the form of a freeze of city property taxes and education property taxes for up to 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 **Brownfields Rehabilitation Grant Program** is to provide a financial incentive in the form of an annual grant for up to 10 years after the remediation and redevelopment of a brownfield property to help offset the costs of environmental remediation, rehabilitation, adaptive re-use and redevelopment.

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

Also, 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 60% of development charges payable) at the time of building permit issuance, after any development charge credits for demolished space have been applied.

2) What types of properties are eligible for the Brownfields Property Tax Assistance Program and the Brownfields Rehabilitation Grant Program?

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.

3) Who can apply?

Only owners of properties within the urban area of the City of Windsor may apply. The attached application form should be used to apply for the Brownfields Property Tax Assistance Program and/or the Rehabilitation Grant Program.

4) What costs are eligible for tax assistance under the Tax Assistance Program?

“Eligible costs” for the Tax Assistance 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 costs of:

- a) 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;
- b) environmental remediation, including the costs of preparing a record of site condition (RSC);



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- c) placing clean fill and grading;
- d) installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan;
- e) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan; and,
- f) environmental insurance premiums.

5) How does the Tax Assistance Program work?

Under the Tax Assistance Program, City 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 3 years after the passing of a by-law to freeze city and education property taxes on an eligible property, or up to the time when the total amount of city and education property tax assistance provided equals the total eligible program costs as noted in 4) above, whichever comes first. The total amount of tax assistance provided equals the difference 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 in 4) above.

6) What costs are eligible for a grant under the Rehabilitation Grant Program?

“Eligible costs” for the Rehabilitation Grant Program include the costs of:

- 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 Tax Assistance Program;
- c) environmental remediation, including the costs of preparing a RSC, not disbursed by the brownfields Property Tax Assistance Program;
- d) placing clean fill and grading not disbursed by the Brownfields Property Tax Assistance Program;
- e) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not disbursed by the Brownfields Property Tax Assistance Program;
- f) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not disbursed by the Brownfields Property Tax Assistance Program;
- g) environmental insurance premiums not disbursed by the Brownfields Property Tax Assistance Program;
- h) the following Leadership in Energy and Environmental Design (LEED) Program Components:
 - i) base plan review by a certified LEED consultant;
 - ii) preparing new working drawings to the LEED standard;
 - iii) submitting and administering the constructed element testing and certification used to determine the LEED designation;
 - iv) increase in material/construction cost of LEED components over standard building code requirements to a maximum of 10% of total construction costs;
- i) demolishing buildings (excluding permit fees);



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- j) building rehabilitation and retrofitting works (excluding permit fees);
- k) development application fees and building permit fees (includes application for Official Plan Amendment, Zoning By-law Amendment, Minor Variance or Permission, Consent, Site Plan Approval/Amendment/Modification/Termination, Plan of Subdivision/Condominium, Condominium Conversion, Part Lot Control Exemption, Removal of the “H” Holding Symbol, Demolition Permit, and Building Permit);
- l) upgrading on-site infrastructure, including water services, sanitary sewers and stormwater management facilities;
- m) constructing/upgrading off-site infrastructure including roads, water services, sanitary sewers, stormwater management facilities, 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.

7) How does the Rehabilitation Grant Program work?

Once the Tax Assistance Program ends, the City of Windsor will begin collecting the increased city and education property taxes that result from the rehabilitation/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 city property taxes that results from the project for up to 10 years as shown in the table below, or up to the time when total grant payments equal the total eligible program costs as noted in 6) 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 in 6) above.

Brownfields Rehabilitation Grant Level		
Year	No LEED Certification	Any LEED Certification
1	70%	100%
2	70%	100%
3	70%	100%
4	70%	100%
5	70%	100%
6	70%	100%
7	70%	100%
8	70%	100%
9	70%	100%
10	70%	100%

If a property that has been approved for tax assistance is severed, subdivided, sold or conveyed prior to the end of the maximum three (3) year period for city property tax assistance, any remaining period of city property tax assistance (up to 3 years) can be added to the maximum ten (10) year Brownfields Rehabilitation Grant period for a total maximum Brownfields Rehabilitation Grant period of thirteen (13) years.

In no case will the total amount of the tax assistance provided under the Brownfields Property Tax Assistance Program, the total amount of grants provided under the Brownfields Rehabilitation Grant



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Program, and the total amount of other grants provided by the City under other programs exceed the total cost of rehabilitating the land and buildings.

8) What conditions must be met to be eligible for the Brownfields Property Tax Assistance Program and the Brownfields Rehabilitation Grant Program?

- Applications must be made in writing (see attached for Application Form) and approved by the City prior to commencement of any environmental remediation, risk management or site rehabilitation works;
- Applications must be accompanied by:
 - a) all available environmental studies conducted on the property;
 - b) 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);
 - c) a cost estimate for eligible LEED program component costs;
 - d) a detailed cost estimate prepared by a bona fide contractor for all eligible rehabilitation/redevelopment works to be conducted on the property;
 - e) a set of detailed architectural/design and/or construction drawings.
- The City may require submission of a business plan, with said business plan to the City's satisfaction;
- The property shall be rehabilitated such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property by the Municipal Property Assessment Corporation (MPAC) and an increase in property taxes;
- All property owners participating in this program will be required to enter into a Brownfields 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;
- All Brownfields Property Tax Assistance/Rehabilitation Grant Agreements must be approved by City Council;
- If any of the eligible works under either the Brownfields Property Tax Assistance or Brownfields 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 the Rehabilitation Grant period expires, or if the property owner fails to meet any of the program requirements and/or terms and conditions of the Brownfields 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;
- The property owner 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, and proof that the RSC has been acknowledged by the Ministry of Environment (MOE);
- Property taxes must be in good standing at the time of application and throughout the entire length of the tax assistance and grant period.



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- 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,
- Where other sources of government and/or non-profit organization 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 education tax assistance cannot be assigned by the property owner and it terminates at the point of sale or transfer of the property. Any remaining city tax assistance at the point of sale or transfer of the property can be converted into a Rehabilitation Grant. The Rehabilitation Grant can be assigned by the property owner to the new property owner at the time of the sale or transfer, or the grant can be retained by 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 Rehabilitation Grant Program against development charges payable?

Cost items 6b)-6g) are eligible for the Brownfields Development Charge Exemption Program. Once you have an approved Rehabilitation Grant application and agreement, you may apply the total of cost items 6b)-6g) against City development charges payable up to a 60% reduction of City development charges payable. If you wish to exercise this option, you must check the appropriate box in the attached application form. If you exercise this option, the total of cost items 6b)-6g) applied against City development charges payable (development charges exempted) will be deducted from the Brownfields Rehabilitation Grant to be paid to you. If your project achieves land use compatibility goals supported by the City's Official Plan, the inclusion of smart growth principles, and LEED certification, the cost of remediation applied against the development charges payable (development charges exempted) will not be deducted from the Brownfields Rehabilitation Grant to be paid.

11) Is there a fee to apply?

No.

12) How do I apply?

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc...
- b) Complete and submit an application form. 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?



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- Applications and supporting documentation are reviewed by staff to determine eligibility and costs eligible for tax assistance and/or the rehabilitation grant.
- Staff may request clarification or additional supporting documentation.
- Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- 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 the Municipal Property Assessment Corporation (MPAC).
- The estimated post-project assessed value is used to calculate the estimated:
 - a) post-project city and education property taxes;
 - b) duration of the tax assistance period for city and education property taxes;
 - c) total amount of city and education property tax assistance to be provided;
 - d) annual grant;
 - e) duration of the grant period; and,
 - f) total amount of grant payments.
- Where City staff will be recommending approval of an application to Council, the following documents will be prepared by City staff:
 - a) a Recommendation Report;
 - b) a Brownfields Property Tax Assistance/Rehabilitation Grant Agreement;
 - c) a Draft By-law authorizing city and education property tax assistance under Section 365.1 of the *Municipal Act*; and,
 - d) an Application to the Minister of Finance for matching education property tax assistance.
- Documents a) – d) are subject to the *Freedom of Information and Protection of Privacy Act*.
- Documents a) – d) along with the Brownfields Property Tax Assistance/Rehabilitation Grant Application form are then forwarded to the Minister of Finance and any conditions specified by the Minister are included in the By-law.
- The Brownfields Property Tax Assistance/Rehabilitation Grant Agreement will be forwarded to you for your signature;
- The Recommendation Report, Brownfields 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.
- If Council approves the application, the Agreement will be signed by City officials and a copy will be provided to you;
- Environmental remediation/risk management and property rehabilitation works may now commence;
- City and education property taxes will be frozen for a period of time as specified in the By-law;
- 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 to the City that the RSC has been acknowledged by the Ministry of Environment;
- City and education property taxes will be frozen for a period of time as specified in the By-law (if applicable);
- 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



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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 city property taxes depending on the level of LEED certification. These grant payments will be issued to you or your assignee for up to 10 years or up to the time when total grant payments equal total eligible program costs, whichever comes first.

- If you indicated in your Brownfields 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 Brownfields Rehabilitation Grant amount will be reduced by the amount of eligible costs applied against development charges payable.

For further information on this program, please contact Greg Atkinson, Senior Planner, Planning Department by phone at 519-255-6543 extension 6582 or via e-mail at gatkinson@citywindsor.ca