



**CITY OF THUNDER BAY – *CARP* - CORE AREA RENEWAL PROGRAM
DOWNTOWN - FINANCIAL INCENTIVES**

Tax-Increment Based Grant Program

This financial incentive program is empowered by the Community Improvement Plan adopted by City Council, for the Downtown Core Areas and the Simpson Street Business Improvement Area (BIA). It is being provided to stimulate investment and development, by both business and residential property owners or tenants, in the north and south community improvement plan project areas.

PROGRAM INFORMATION

The Tax Increment-Based Grant Program will provide financial relief to property owners and tenants who undertake revitalization projects. This program is intended to foster private rehabilitation efforts in the downtown core areas and Simpson Street Business Improvement Area (BIA), with minimum cost to the City.

This municipal assistance program will provide grants to property owners and tenants who undertake the rehabilitation of their properties that would result in a re-assessment of the properties. The amount of the grant would be determined based upon the incremental increase in the municipal taxes that result from the work being done. The grant shall not be paid unless all property taxes owing for the year have been paid in full, and unless all outstanding work orders issued by the City's Building Division and Fire & Rescue Services, and all requests to comply by the Licensing & Enforcement Division, have been fully satisfied.

The total amount of the grants provided would not exceed the value of the work done that resulted in the re-assessment. For this reason, the total value of the work done, plus the amount of the municipal taxes paid prior to, and after the rehabilitation, would have to be known. "Municipal taxes" under this program refers to only the general portion of municipal taxes of the total taxes paid, and would not include any other taxes or amounts, including but not limited to, education, all urban service levies or public transportation. Business taxes are not intended to be included in the calculation of this program.

The Tax Increment-Based Grant Program will commence on the date this Plan is approved by the Minister of Municipal Affairs and Housing and incremental increases in municipal taxes may be granted back to owners and tenants for a period ending December 31, 2013. Owners and tenants of properties participating in this grant program who apply in any year of the program, will be eligible for the full grant. The grant amount for this program would equal 100% of the increased municipal taxes in each year of the program. For the year 2014 and beyond, the property owner or tenant will be required to pay the full amount of the taxes with no rebate.

At the time of a building permit application, a property owner or tenant may register their intent to participate in the grant program by filing an application. The amount of municipal taxes paid will be determined, and upon the completion of the works, the municipal taxes to be paid as a result of the re-assessment will be calculated. The difference between the municipal taxes prior to the works being undertaken, and the municipal taxes after the completion of the works will be the portion eligible for a grant under this program. By using the building permit as the "trigger" for establishing participation in the program, the value of the rehabilitation/redevelopment work to be undertaken can also be determined. As indicated above, the total value of the grant will not exceed the value of the work done. At the building permit stage, the construction value of the project is known, since this is what establishes the cost of the permit. In some cases, an audit may be required to confirm the construction value.

The program will not exempt property owners or tenants from an increase in municipal taxes due to a general mill rate increase or a change in assessment for any other reason after the property has been improved, except by reason of an assessment appeal. The grant is based upon changes in property taxes as a result of construction and improvement to the property, and is not based upon use, occupancy or changes thereof.

This program is intended to revitalize and enhance the stock of buildings within the downtown core areas and the Simpson Street BIA.

Eligibility Requirements

The eligibility requirements for this program are as follows:

- a) Any property owner or tenant desiring to be considered for a grant under this program shall make application in writing to the City's Development Services Department, at the time of making an application for a building permit.
- b) To qualify, property owners or tenants must satisfy the following conditions:
 - The property must be located within the boundaries of either the north core project area or south core project area of this Community Improvement Plan;
 - The property shall be rehabilitated such that the amount of the work undertaken is sufficient to result in a re-assessment of the property;
 - The total value of the grants provided under this program shall not exceed the value of the work done;
 - In the case of new buildings on vacant or cleared sites within the downtown cores, to determine the pre-development assessment base for these projects, the assessment shall be based upon the property as it existed on November 17, 2003, the date of a public meeting at which this Community Improvement Plan was considered by Council;
 - If a property to be rehabilitated is designated under the Ontario Heritage Act, the improvements shall not compromise the reasons for designation. In such cases,

the building permit application will be circulated to the City's Heritage Advisory Committee (H.A.C.) for review and comment;

- If the property is demolished before the grant period elapses, the grants shall be forfeited and repaid to the City. If a participating property is sold before the grant period elapses, the City may, at its discretion, accept a new application from any subsequent owners or tenants of the property;
- Outstanding work orders from the City's Building Division or Thunder Bay Fire & Rescue Services, and requests to comply from the Licensing & Enforcement Division, must be addressed prior to grant approval;
- The subject property shall not be in a position of property tax arrears; and
- The rehabilitation to be undertaken, shall conform to any approved Council design guidelines applying to the property.

Implementation and Administration

Funds, whether in the form of tax exemptions or direct grants or loans, made to applicants under any of the programs described in the Downtown Core Areas and Simpson Street Business Improvement Area Community Improvement Plan, shall not exceed the costs incurred by the developers associated with their projects.

The details of this Program, together with the eligibility criteria, though outlined generally in the Plan, will be set out specifically in any agreements (if necessary) entered into between owners or tenants and the City.

The actual costs of the work done will be supplied to the City upon completion of the project. Payment of the grant or loan will be based on the City's review and satisfaction of all reports and documentation submitted outlining the full scope and cost of the work completed. Any and all of these costs may be subject to an independent audit at the request of the City and at the expense of the applicant.

The Planning Division, in consultation with the Finance Department, will be responsible for the administration of the program. The implementation of this program and the calculation of the grants, will be in the sole discretion of the City. All grants will be awarded on an individual basis. Administration shall begin accepting applications for this program on the date the Community Improvement Plan is approved by the Minister of Municipal Affairs and Housing.

Upon the payment of all property taxes for participating projects, the Finance Department will notify the Planning Division, so that the grant for that year can be processed. The Planning Division, in consultation with the Finance Department, will be required to compile the list of participating projects on an annual basis so that sufficient funds can be budgeted from the City's operating budget in the following year to fund the program.

The Planning Division will request the rebate cheques through the Finance Department upon the payment of all the annual property taxes for that year, and confirmation that there are no outstanding work orders or requests to comply from the Licensing and

Enforcement Division. Rebate cheques will be sent out at the end of the year upon confirmation of the above.

From time to time, the City may review and amend any of the terms of the program, as described in the Community Improvement Plan, without amendment to the plan.

Application Forms may be submitted by Fax to (807) 623-2206, by mail to:

**CARP – Core Area Renewal Program
Development Services Department
Second Floor , Victoriaville Civic Centre
111 Syndicate Avenue South, P. O. Box 800
Thunder Bay, On, P7C 5K4**

Or may be submitted by e-mail to: shuzan@thunderbay.ca