

CITY OF ST. CATHARINES

COMMUNITY IMPROVEMENT PLAN (2020CIP)

PROGRAM GUIDELINES

☐ Brownfield Tax Assistance Program (BTA)

On November 16, 2020 the City adopted a new Community Improvement Plan, herein referenced as the 2020CIP. The 2020CIP offers four (4) financial incentive programs to the private sector to help offset a portion of project costs incurred for redevelopment projects, brownfield remediation, and building façade improvements. The incentive is provided after project completion.

The four (4) programs are as follows:

1. Tax Increment Finance Program (TIF)
2. Brownfield Tax Increment Finance Program (BTIF)
3. Brownfield Tax Assistance Program (BTA)
4. Façade Improvement Program (FIP)

The following guidelines provide an overview of the **Brownfield Tax Assistance Program (BTA)**, including eligibility, criteria, process and program timelines, application submission requirements, and requirements to commence payment of the incentive. Prospective applicants are encouraged to read the 2020CIP for more specific program details prior to making application.

The **Application Form** for the BTA Program can be found [here](#).

1. PROGRAM OVERVIEW

The Brownfield Tax Assistance Program (BTA) provides a financial incentive to help offset costs incurred that are specific to environmental site remediation on previously developed properties that are now underutilized, derelict or vacant. These properties are usually former industrial (brownfield) or commercial (greyfield) sites that are contaminated and in need of site remediation to facilitate future re-use.

Unlike the 2020CIP BTIF program, the environmental site remediation is typically undertaken in advance of, independent of, and not tied to any specific development proposal or concurrent application made on the subject lands. However, the remediation that is undertaken must enable the site to be brought to an environmental standard necessary to support any future use contemplated (ie. residential, mixed use, etc.) and in which is permitted in the City's Official Plan.

The BTA incentive gives up to a 100% rebate on the (City portion) of municipal property tax paid on the subject property, for up to a 3 year period, and is disbursed only after completion of the project.

2. MINIMUM ELIGIBILITY

- i) The BTA incentive is available to all properties within the City's Urban Area where generally in excess of 0.5 hectares (1.2 acres) in size;
- ii) The proposed future standard of property use must be consistent with the City's Official Plan;
- iii) A current Phase I and II Environmental Site Assessment (ESA), and a Remedial Work Plan, prepared in accordance with Ontario Regulation 153/04, is required and which identifies requirements, costs and timeline necessary to obtain a Record of Site Condition (RSC) or other remediation approval (ie. Site Specific Risk Assessment) by the Ministry of Environment, Conservation and Parks (MECP) in order to permit the proposed future standard of use on the property;
- iv) The property owner shall not be in arrears of any property tax, outstanding work orders, property standards non-compliance, local improvement charges or any other arrears or charges by the City, Region of Niagara, the Province or related agencies.
- v) Lands subject to a 2020CIP BTIF incentive are not eligible for a BTA incentive.

3. HOW THE INCENTIVE (REBATE) IS CALCULATED

- i) Municipal property tax collected on a property is divided and distributed between the City, Region of Niagara and the Province of Ontario.

The BTA rebate given is only for the City portion of property taxes collected,

which currently (2020 rate) is approximately 44 % of total annual municipal property tax levied on a property.

The maximum eligible rebate value is equal to 100% of the annual (City portion) of property tax levied on the property at time of application x 3 years.

Example

Total annual property tax levied at time of BTA application	\$100,000
City portion of annual property tax levied at time of BTA application (\$100,000 x 44%)	\$ 44,000
Maximum eligible rebate after project completion (\$44,000 x 3 years)	\$132,000

ii) Rebate Value versus Eligible Project Costs

The rebate is equal to eligible project costs incurred, or the eligible incentive (rebate) value, whichever is less.

Using the example above, if the eligible rebate is \$132,000 but eligible project costs incurred equal \$200,000, the maximum rebate given is \$132,000. If project costs incurred are less than the eligible rebate (ex. \$75,000), the rebate given is equal to eligible project costs incurred (\$75,000).

Only project costs incurred directly by the property owner are eligible for the incentive.

Refer to Schedule 1 of this Guideline for Eligible Project Costs.

iii) Other Incentives

The Region of Niagara also has financial incentive programs for environmental remediation projects, but which are currently under review. Subject to program availability, eligibility and approval, the Region may provide a matching incentive rebate to that provided by the City. Prospective applicants are encouraged to contact the Region of Niagara for availability and eligibility. In addition, the Province of Ontario, through their Brownfields Financial Tax Incentive Program (BFTIP), may also provide an incentive rebate of their portion of municipal property taxes levied (2020 rate = 12%) for environmental remediation projects. Financial incentives may also be available from other agencies.

Where financial incentives for the project may be secured from other agencies (Region, Province, other), and where the value of those incentives, combined with the City incentive, is greater than project costs incurred, the value of the City incentive will be decreased accordingly to ensure that all incentives provided for the project do not exceed total project costs incurred.

For more information related to other incentives, see Part B, Section 2.4 of the 2020CIP.

4. TIMING OF REBATE DISBURSEMENT

- i) The eligible rebate is given after project completion, and only after a Record of Site Condition (RSC) other remediation approval is obtained by the Ministry of Environment, Conservation and Parks (MECP).
- ii) The amount of rebate disbursed by the municipality at any one time shall not exceed the amount of municipal property taxes (City portion) collected on the property at any time during the 3 year BTA program period.

Using the example above (total rebate value = \$132,000):

If the project is completed within one year at a cost of \$200,000, and after annual property tax is paid for that year (\$44,000), the rebate given after the first year is \$44,000. The remainder of the eligible rebate incentive (\$88,000) would be disbursed after subsequent property tax payments have been made for the 2nd and 3rd year of the BTA program duration. If the project were completed after 2 years, and all property taxes paid to that date, the rebate given after the second year would be \$88,000, with the remainder (\$44,000) of the eligible rebate disbursed after the 3rd year of property taxes paid.

5. NO RETROACTIVE APPROVAL

Prospective applicants should not commence a remediation project prior to BTA approval and execution of a formal CIP Agreement with the municipality. Project costs incurred prior to execution of the CIP Agreement are not eligible for the incentive rebate, with certain exceptions related to the preparation of environmental remediation studies, and fees related to the preparation of the application (see Schedule 1 for eligible project costs and retroactive exceptions).

6. REQUIRED PRE- CONSULTATION MEETING PRIOR TO APPLICATION

Prior to submitting a BTA application, prospective applicants are required to attend a Pre-Consultation (PC) meeting with staff to review in detail the project proposal and submission requirements necessary to apply for a BTA incentive.

The lead time between applying for and placed on a PC meeting agenda is approximately 3 weeks. The PC application form, submission requirements and fee is found on the City's website.

7. APPLICATION SUBMISSION REQUIREMENTS

Applications that do not meet all submission requirements will be deemed

incomplete and not processed further or considered for approval.

The following are required to be submitted for a complete application.

- i) Property Survey prepared by a qualified land surveyor (OLS)
- ii) Detailed Brief of the project, including a conceptual plan for future development, that:
 - addresses consistency with the City's Official Plan, Zoning By-law, and other municipal and agency regulations / standards;
 - identifies all components of the proposed environmental remediation;
 - sets out an estimated timeline for project completion, including major project components and any proposed phasing of development;
- iii) A current Phase I and II Environmental Site Assessment (ESA), and a Remedial Work Plan, prepared in accordance with Ontario Regulation 153/04, which identifies requirements, costs and timeline necessary to obtain a Record of Site Condition (RSC) or other remediation approval (ie. Site Specific Risk Assessment) by the Ministry of Environment, Conservation and Parks (MECP) in order to permit the proposed future standard of use on the property;
- iv) A detailed, itemized estimate of all eligible and total project costs, prepared by qualified professionals, broken down by project components (see Schedule 1, Eligible Costs);
- v) A Declaration identifying the estimated amount, duration and provider of any additional grants or financial incentives that have or are intended to be secured for the same project from other government agencies, non-profit groups, or other agencies and associations.

8. PROJECT APPROVAL/ TIMELINES

- i) Complete applications will be processed on a first come basis.

City Council is the approval authority for BTA applications.

- ii) CIP Agreement

Prior to project commencement, the property owner is required to enter into a CIP (BTA) Agreement with the municipality within 90 days of the date of Council Approval.

iii) Project Completion

The project must be completed within 3 years of the date of the CIP Agreement, and an RSC or other approval obtained by the MECP for the proposed future standard of use of the property.

Remediation may be phased, where the initial phase 1 is generally a minimum 80% of the site. The initial phase must be completed within 3 years, and all phases must be completed within 5 years of the BTA agreement.

9. REQUIREMENTS FOR COMMENCEMENT OF REBATE PAYMENT

To trigger payment of the BTA rebate, the property owner must make written request to the municipality and satisfy all conditions of the BTA approval, including:

- i) That all municipal property taxes levied on the property are paid in full;
- ii) Confirmation that a RSC, prepared by a Qualified Person as defined by Ontario Regulation 153/04, as amended, has been approved by the MECP and filed on the Environmental Site Registry, or other approval granted by the MECP in accordance with the Environmental Protection Act, for the proposed future standard of use of the property;
- iii) Submission of Eligible Costs setting out in itemized detail all project costs incurred by the property owner, broken down by components identified in Schedule 1 of the Guideline, and must include but not limited to detailed invoices, contracts, service /material provider, materials supplied, purchase orders, proof of payment;
- iv) Declaration of any grants or financial incentives that have been secured, or received conditional approval, for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives must be set out in the declaration;
- v) Satisfaction of a Compliance Audit by the municipality confirming no tax arrears, outstanding work orders, local improvement charges or any other charges of the City or other agencies, property standards compliance.

The Compliance Audit may include third party review or audit of eligible project costs at the expense of the property owner.

GUIDELINE SCHEDULES

SCHEDULE 1: ELIGIBLE PROJECT COSTS

Only eligible project costs that are paid for by the property owner who enters into the CIP (BTA) Agreement with the City are eligible for the incentive.

Eligible project costs incurred prior to execution of a formal CIP (BTA) Agreement with the municipality are not retroactively eligible for the BTA incentive, with certain exceptions as set in b) below.

a) Eligible project costs:

- i) Phase I and II Environmental Site Assessment, Site Specific Risk Assessment (SSRA), remedial work plan or other qualified *remediation*/risk management plan prepared by Qualified Persons as defined by Ontario Regulation 153/04, as amended, necessary to obtain a Record of Site Condition (RSC), or other approval granted by the Ministry of the Environment, Conservation and Parks (MECP) for the proposed future standard of property use.
- ii) environmental soil remediation, or other qualified remediation or risk management plan in accordance with i) above.
- iii) removal of waste materials, placing of clean fill and grading;
- iv) interest charges related to the cost of financing the preparation of remediation/risk management studies and undertaking the remediation;
- v) insurance premium to guarantee remediation completion.
- vi) legal fees, consulting fees and financing costs as they relate to the preparation of complete application requirements.

b) Retroactive Eligible Costs

- i) Eligible project costs set out in a) above incurred prior to execution of a formal CIP (BTA) Agreement with the municipality are not retroactive eligible for the BTA incentive, with the following exceptions.
 - a) Phase I and II Environmental Site Assessment, Site Specific Risk Assessment (SSRA)
 - b) Legal fees, consulting fees and financing costs as they relate to the preparation of complete application requirements.

ii) Provincial Brownfields Financial Tax Incentive Program (BFTIP)

Eligible project costs under the BTA program may vary from eligible costs under the Provincial Brownfields Financial Tax Incentive Program (BFTIP).

Eligible BFTIP project costs incurred after execution of the BTA Agreement with the City, but prior to Provincial approval of the BFTIP incentive, may be retroactive eligible for the BFTIP incentive subject to Provincial approval.