

1) Program Description

To provide a financial incentive in the form of a grant to promote rehabilitation, redevelopment, infill and intensification projects within the Downtown Fonthill and Downtown Fenwick Community Improvement Project (CIP) Areas. Only those projects that result in an increase in property assessment and property taxes will be eligible for funding under this program.

2) Who can apply?

Owners of properties and tenants (tenants must have written authorization from owners) located within the Downtown Fonthill (CIP) or the Downtown Fenwick (CIP) Areas that meet the program eligibility requirements may apply. The Town retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the Town 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.

3) 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 Town will reimburse the owner in the form of an annual grant. The grant is equivalent to 70% of the municipal tax increment (the increase in Town 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.

4) What types of properties/projects are eligible for a grant?

Existing commercial, residential and mixed use¹ buildings, 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.

5) What conditions must be met to be eligible for a grant?

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

- 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);
- The Town may require submission of a Business Plan, with said Plan to the Town’s satisfaction;
- 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,

¹ Mixed use includes commercial/residential, commercial/institutional and other mixed uses containing a commercial use.

- 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 Town reserves the right to require repayment of grant payments already made.

6) Is there a fee to apply?

No.

7) When will the grant funds be advanced?

The first grant payment will be advanced once:

- a) A Grant Agreement has been signed and executed;
- b) Construction is complete;
- c) The property has been revalued by the Municipal Property Assessment Corporation (MPAC);
- d) Municipal property taxes have been levied based on the new assessment value;
- e) Municipal property taxes have been paid in full for at least one year after municipal property taxes have been levied based on the new assessment value; and,
- f) All assessment appeals have been resolved.

8) Can the grant be retained by the approved applicant if the property is sold?

Yes, subject to approval by the Town.

9) Can the grant be assigned to a new property owner if the property is sold?

Yes, subject to approval by the Town.

10) What are the default provisions?

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

- Property taxes are more than one year in arrears;
- The building is demolished or any of the heritage features are altered in any way that would compromise the reason for designation;
- The applicant declares bankruptcy;
- The applicant uses the grant for improvement works that are not eligible;
- The applicant fails to maintain the improvements as required in the Grant Agreement; and,
- The applicant is in default of any of the provisions of the Grant Agreement.

11) How do I apply for a grant?

- Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc...
- If authorized to apply for a grant, complete an application form and ensure that your application includes all of the information requested in the application form and the required documents checklist.

12) What happens next?

- Applications 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.
- 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 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.
- The estimated post-project assessed value is used to calculate the estimated grant and estimated duration of the grant.
- A recommendation on the grant application is made by staff and forwarded to Town Council, along with a Grant Agreement signed by the applicant.
- If your application is approved, the Grant Agreement is then executed by the Town. A copy of the executed agreement is then returned to you for your records.
- Construction of the approved works may now commence, subject to issuance of a building permit(s).
- Contact staff toward construction completion.
- Once the rehabilitation/redevelopment project is complete and the property has been re-valued by the MPAC, the Town will check to see that 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.
- The Town will send a new property tax bill to the owner.
- Once payment of property taxes has been received in full for one year (or equivalent) by the Town, the Town 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 contact:

Shannon Larocque, Senior Planner
Email: slarocque@pelham.ca
Phone: 905-892-2607 Ext. 319