



City of Welland ~ Downtown Improvement Incentive Program Objectives, Eligibility Requirements and Terms & Conditions

PROGRAM OBJECTIVES AND ELIGIBILITY REQUIREMENTS

FAÇADE RESTORATION AND IMPROVEMENT LOAN PROGRAM

Program objective and available assistance

The Façade Restoration and Improvement Loan Program provides assistance to rehabilitate and improve the facades of commercial buildings in the Downtown Community Improvement Area. The loan (amortized over five years) covers 50% of the eligible improvement costs (as defined by the City) to a maximum of \$15,000 per municipal address. An additional amount of up to \$5,000 is available for flankage façade improvements for corner lots, and \$5,000 for rear façade improvements, in all cases the owner(s) must provide matching funds. The first loan payment will be made six (6) months after the work is completed.

Eligibility Requirements

1. Assistance under this program will be considered subject to the availability of funding.
 2. Owner(s) must provide matching funds.
 3. Any property owner(s) within the Downtown Area (Non-residential component) may apply in writing to the City and must receive approval prior to commencing any work related to the loan.
 4. Tax payments for the subject property shall be up-to-date.
 5. Outstanding work orders for the City's Building Division and/or the City's Fire and Emergency Services and requests to comply must be addressed prior to loan approval.
 6. Loans will be approved at the sole discretion of the City.
 7. Façade improvements should maintain the historical character of the Downtown Area (Non-residential component) and the design drawings must be approved by the City in order to access funding for improvement.
 8. The improvements to be undertaken shall conform to the City's Façade Improvement Manual and Urban Design Plan, and any other policies and regulations applying to the subject property.
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DEVELOPMENT CHARGE WAIVER/EXEMPTION PROGRAM

Program objective and available assistance

The intent of this program is to encourage residential development/redevelopment in the Downtown Area. The City will exempt development/redevelopment from Development Charges for the creation of new residential units in the Downtown and adjacent areas. It should be noted that the City does not have Development Charges for non-residential development. Municipal Development charge exemptions may be combined with Regional Development Charge exemptions. Exemption from Regional development charges for development/redevelopment in the Downtown Area will need to be confirmed.

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Eligibility Requirements

All residential development/redevelopment, including all conversions from non-residential to residential within the Downtown Area (Non-residential component) will be exempt from local municipal Development Charges. Confirmation regarding exemption from Regional development charges will be required.

Residential infill development in the area identified as the residential component of the Downtown Area will be exempt from local municipal Development Charges. Exemption from Regional Development Charges for such development must be confirmed.

REFUND OF LOCAL PLANNING AND BUILDING FEES PROGRAM

Program objective and available assistance

The goal of this program is to provide an additional incentive to augment the other Downtown redevelopment programs and to facilitate and spur adaptive re-use and new construction activity in the Downtown Area by refunding most planning and building permit fees. Specifically, the refunds will apply to most municipal fees for planning applications (e.g. zoning by-law amendments, minor variances, consents to sever, site plan control, etc.) and demolition and building permit applications. The refunds will also apply to parkland dedications (or Cash-In-Lieu).

Assistance will be in the form of a 50% (for projects other than those creating new residential rental units) and a 100% (for new residential rental projects) refund of fees for planning applications and demolition and building permit applications. Parkland dedication or Cash-In-Lieu will be waived for new developments and/or when required as a condition of Planning approval involving, for example, the creation of new lots.

Eligibility Requirements

1. Any property owner(s) within the Downtown Area may apply in writing at the time of making an application or applications for a planning or building approval.
 2. Tax payments for the subject property shall be up-to-date.
 3. Outstanding work orders for the City's Building Division and/or the City's Fire and Emergency Services and requests to comply must be addressed prior to grant approval.
 4. The City will request payment of fees at the application stage. Upon final inspection of the completed and occupied project, fees collected will be refunded to the property owner(s).
 5. This program does not apply to any required performance securities to be posted by the proponent, required professional studies, or to expenses incurred by the applicant because of an appeal to the Ontario Municipal Board.
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RESIDENTIAL CONVERSION AND INTENSIFICATION LOAN PROGRAM

Program objective and available assistance

The goal of this program is to promote the conversion of existing excess commercial space into new residential units in the Downtown Area. This program would offer an interest free loan to pay for conversion of existing commercial space to residential units and the construction of new units on vacant land. The target area for this program is the Downtown Area.

This program will provide a loan to property owner(s) who rehabilitate/redevelop/convert their properties for residential purposes. In order to provide a significant and direct financial incentive, the maximum loan amount is to be calculated on the basis of \$10 per square foot of habitable floor space as determined by the City. The maximum term of the

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loan is 10 years (subject to termination upon default) with the loan to be repaid in monthly amounts over 120 months (10 years). The City will request security as may be required to secure the loan including the following: a promissory note; personal property security; personal guarantee(s); lien on the property to be improved; mortgage charge registered on the property to be improved; letter or credit in lieu of a second mortgage charge on other property (subject to the City's minimum equity requirement); such other security which may be appropriate.

Eligibility Requirements

1. Assistance under this program will be considered subject to the availability of funding.
2. Any property owner(s) within the Downtown Area may apply in writing to the City and must receive approval prior to commencing any work related to the loan.
3. Tax payments for the subject property shall be up-to-date.
4. Outstanding work orders for the City's Building Division and/or the City's Fire and Emergency Services and requests to comply must be addressed prior to loan approval.
5. The proposed development must conform to the Zoning By-law, pertinent Official Plan policies, the Downtown Community Improvement Plan and any other documents (e.g. Façade Improvement Manual, Urban Design Plan etc.) that the City deems relevant.
6. Drawings acceptable to the City must accompany any written request for approval under this program.
7. All costs associated with the conversion/renovation are to be borne by the owner(s) with the City retaining the right to assess the reasonableness and eligibility of costs under the terms of this program.
8. Upon sale or refinancing of the property, the full loan amount is due in full. The funding commitment is not transferable between owner(s).
9. Loans will be approved at the sole discretion of the City.

PROPERTY REHABILITATION AND REDEVELOPMENT TAX INCREMENT GRANT PROGRAM

Program objective and available assistance

This program promotes the redevelopment and rehabilitation of Downtown Area properties by removing the financial disincentive of increased property taxes associated with redevelopment in the short term. Typically, the redevelopment or rehabilitation of a property results in improved property value which, in turn, translates into an increase in assessment and ultimately an increase in taxes for the property. The municipality will provide grants equivalent to a portion of the tax increase over a period of time not exceeding 10 years. As an example, in year one, a grant in the amount of 80% of the tax increase could be considered graduating to full payment after year ten. This will only be provided to a completed project.

This program provides a grant to the property owner(s) who undertake rehabilitation/redevelopment of their properties, which results in an increase in assessed value. The amount of the grant will be based on the increase in the municipal portion of taxes, which result from the construction. The total amount of the grant will not exceed the value/costs of the work done. To this end, the municipal portion of total taxes on the property (prior to, and after redevelopment/rehabilitation) plus the total value of work done will be confirmed by the City (at the time of the filing of a Building Permit Application) and used to determine the total amount of the grant to be provided under the terms of this program.

1. The City will provide a grant equivalent to a portion of the tax increase, resulting from redevelopment/rehabilitation, over a period of time not exceeding 10 years. The grant amount will equal 80% of the increased municipal taxes during the first

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- two years, 70% in years three and four, 60% in year five, 50% in year six, 40% in year seven, 30% in year eight, 20% in year nine, 10% in year ten. That portion of the municipal taxes not covered by the grant shall be paid in full each year. For the period beyond 10 years the owner(s) will be required to pay the full amount of taxes with no grant provisions.
2. The grant will be applied to the property tax account of the property on which the redevelopment/rehabilitation has been approved by the City.
 3. The property owner(s) will apply in writing to the City to participate in this program at the time of filing an application for Building Permit. The amount of municipal taxes paid will be determined, and upon completion of the project, the municipal taxes to be paid (as a result of reassessment) will be calculated. The difference between the municipal taxes prior to construction commencing and the municipal taxes after the project is completed is eligible for a grant under this program.
 4. The total value of the grant will not exceed the total construction value of the work to be completed (approximated at the filing of the Building Permit application and confirmed to be reasonable by the City). If total grant payments equal the value of the work done prior to the ten years, then the grant payments will cease at that time.
 5. Year one under the terms of this program will commence after the project has been completed.
 6. This program will not exempt property owner(s) 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 redeveloped/rehabilitated.
 7. All current taxes are to be paid in full or the grant is nullified.

Eligibility Requirements

1. Assistance under this program will be considered subject to the availability of funding.
2. Any property owner(s) within the Downtown Area may apply in writing to the City and must receive approval prior to commencing any work related to the loan.
3. Tax payments for the subject property shall be up-to-date.
4. Outstanding work orders for the City's Building Services and/or the City's Fire and Emergency Services and requests to comply must be addressed prior to loan approval.
5. The proposed development must conform to the Zoning By-law, pertinent Official Plan policies, the Downtown Community Improvement Plan and any other documents (e.g. Façade Improvement Manual, Urban Design Plan etc.) that the City deems relevant.
6. Upon sale of the redeveloped/rehabilitated property prior to the grant period elapsing, the City may, at its discretion, continue the program for the remaining timeframe and/or accept a new application from any subsequent owner(s) of the property for additional works to be undertaken.
7. Grants will be approved at the sole discretion of the City.

PARKING REQUIREMENTS REDUCTION PROGRAM

Program objective and available assistance

The purpose of this program will be to facilitate residential development in the Downtown Area. Assistance will be in the form of a waiving or reduction in residential parking requirements for improvements or change of use to existing buildings and additions or new building construction as set out in the Zoning By-law.

Section 40 of the Planning Act provides municipalities the opportunity to accept Cash-In-Lieu of parking via agreements with a proponent where required parking cannot be

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accommodated for the given project. The Cash-In-Lieu payment is negotiated between the City and the Owner. Typically, this payment is based on each of the total number of parking spaces being reduced. A nominal fee will be considered for the necessary reduction; however, in order to comply with the provisions of the Planning Act; an agreement between the parties is required.

It should be noted that new commercial developments are already exempt from providing parking in the Downtown Area. This exemption is implemented through the City's Zoning By-law (Reinvestment Zone provisions).

Eligibility Requirements

Rental projects will be considered as well as freehold projects.

TERMS AND CONDITIONS OF LOAN/GRANT FUNDING

1. Approval of any incentive program is subject to the availability of funds.
2. The entire proceeds from the grant/loan shall be used solely for the purpose of financing the repair or improvements of the said property to be rehabilitated.
3. All work specified within the City of Welland Downtown Improvement Incentive Program Application will be completed in accordance with Ontario Building Code Standards, within one year.
4. Applications for the City of Welland Downtown Improvement Incentive Program will only be accepted for properties in the target area. A map outlining the Program Target Areas is attached as Schedule A.
5. Applicants shall meet the necessary eligibility requirements for each of the programs they apply for, as outlined in this document.
6. The grant/loan assignment is non-transferable between properties, property owners or another individual or corporation. The applicant shall notify the City of Welland within seven (7) days of his/her acceptance of an offer to purchase or sell the property.
7. Applications for which grants/loans have been approved will be made available by notifying the applicant in writing, and will be disbursed by cheque made payable to the owner/named applicant following:
 - completion of the proposed improvements to the satisfaction of the City;
 - proof of payment of all invoices (copies stamped paid);
 - confirmation from the City that all taxes and water bill are current; and
 - compliance with all terms and conditions of the application procedure, inspection procedures and completion of work within the prescribed time frame. (Generally one year from the acceptance and approval date of the application.)
8. In the event that a) there is a breach of the above conditions or, b) if it comes to the attention of the City of Welland that any of the statements made by the borrower in the application from the grant are false; the City shall have the right to revoke funding approval.
9. The Applicant shall at all times indemnify and save harmless the City of Welland, its employees and agents, from and against any and all manner of claims, losses, costs, charges, actions and other proceedings whatsoever made or brought against, suffered by, or imposed upon any person or property directly or indirectly arising out of, resulting from or sustained as a result of the work associated with all City of Welland Downtown Improvement Incentive Programs.
10. The City reserves the right to register a lien on subject properties to secure any loan made under these programs.

It is strongly recommended that applicants discuss their proposed improvements and application with City of Welland Integrated Services – Planning Division, 60 East Main Street, Welland, L3B 3X4. Telephone: 905-735-1700, Extension. Fax: 905-735-8772