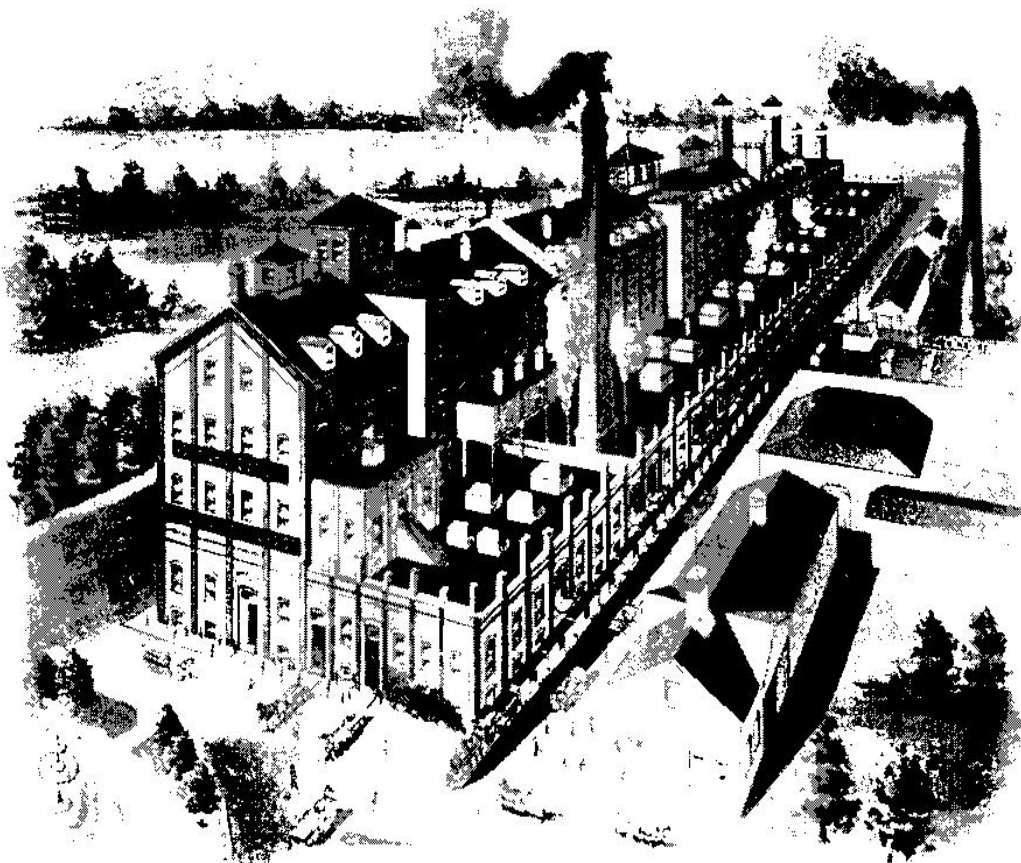


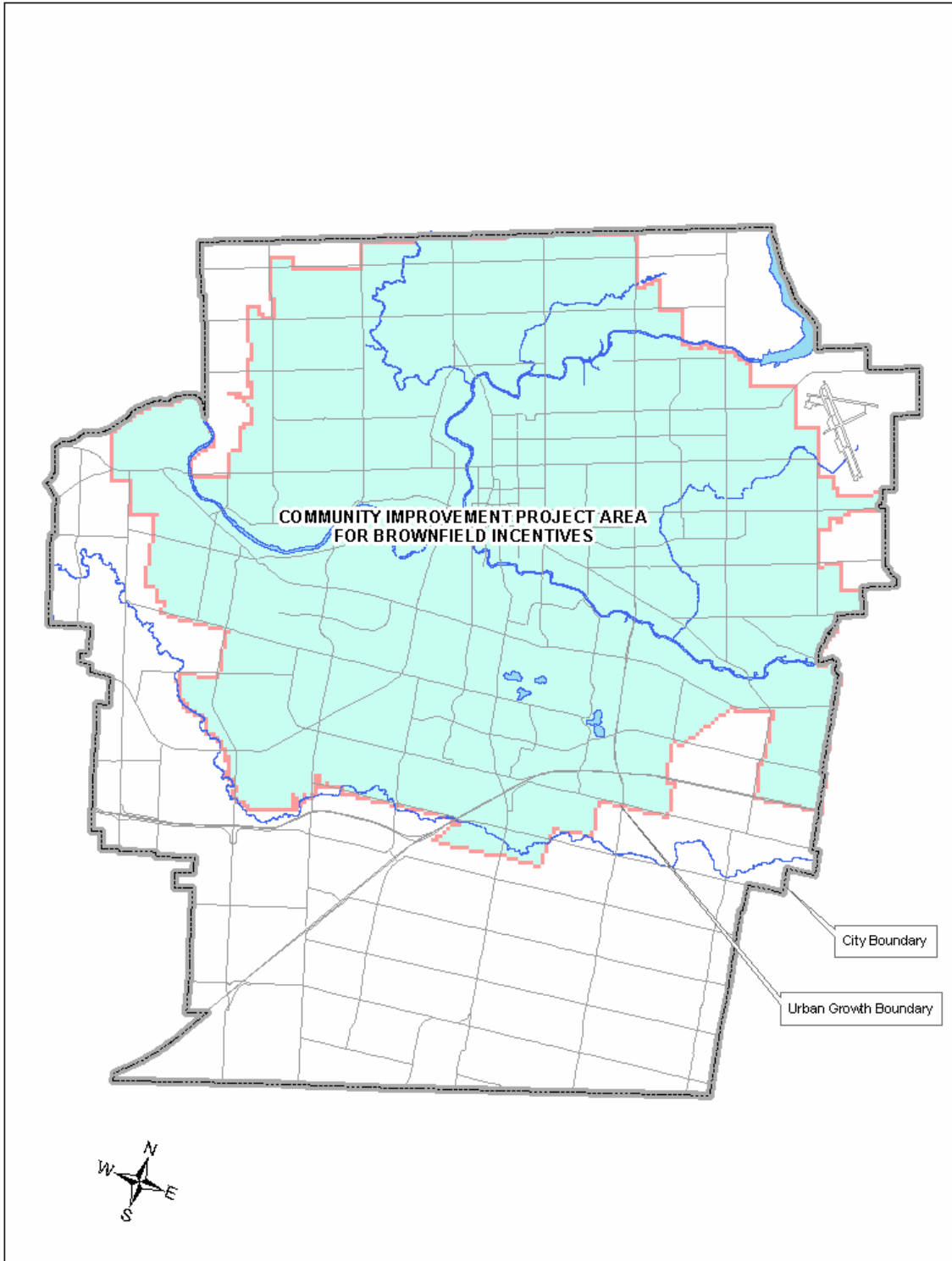
# CITY OF LONDON COMMUNITY IMPROVEMENT PLAN FOR BROWNFIELD INCENTIVES

Adopted by Council - February 20, 2006  
Approved by MMAH with Modifications – November 21, 2006



*\* NOTE: This is an Office Consolidation of By-law No. C.P.-1451-70, adopted by London City Council on February 20, 2006, and modifications approved by the Ministry of Municipal Affairs and Housing on November 21, 2006. While every effort has been made to ensure that the document is accurate, it should be verified by reviewing the by-law and modifications, which are available in the City Clerk's Department.*

**City of London Community Improvement Project Area for Brownfield Incentives**  
(Adopted by By-law C.P.-1451-70)



# 1. BACKGROUND

## 1.0 Introduction:

There are a substantial number of properties within the City of London that have been previously developed for industrial, commercial or other urban uses and may be contaminated as a result of these former activities. Some of these properties, which are commonly referred to as “brownfields”, are vacant, under-utilized or abandoned as a result of their current environmental condition and associated liability concerns, resulting in lost property tax revenue, inefficient use of existing infrastructure and lost employment opportunities. If brownfield sites are left vacant or under-utilized, there is additional pressure placed on municipalities to extend new services and infrastructure into outlying “greenfield” locations.

During the past several years, municipalities have become increasingly proactive in encouraging the remediation and redevelopment of brownfield sites as a means of increasing the municipal tax base in areas of existing infrastructure, increasing employment opportunities, and enhancing the viability of inner-City neighbourhoods. Municipal efforts have been assisted by the Province through the adoption of the *Brownfields Statute Law Amendment Act, 2001* and associated Regulations. Community Improvement Plans for brownfield incentives have been initiated by several municipalities across the Province.

The City of London has reviewed a range of potential brownfield incentives, and determined that the suite of incentives in this Community Improvement Plan will offer practical tools to promote the remediation and redevelopment of brownfield sites that might otherwise remain vacant or underutilized. These initiatives are consistent with objectives and policies in the Official Plan which support compact urban form, an efficient use of existing serviced lands and municipal infrastructure, and a reduction in the adverse environmental impacts associated with contaminated sites.

## 1.1 Provincial Legislation:

The *Planning Act* provides the statutory framework for the development of community improvement plans in the Province of Ontario. Section 28 of the Act states: “Where there is an official plan in effect in a local municipality that contains provisions relating to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement project area.” Under the provisions of the Act a community improvement project area means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

Specific provisions in Section 28 of the Act provide that for the purpose of carrying out a community improvement plan municipalities may acquire, hold and sell land; and construct, repair, rehabilitate and dispose of buildings thereon. They may also provide grants or loans to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or for any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan.

The 2005 *Provincial Policy Statement (PPS)* issued under the authority of Section 3 of the Planning Act, supports a community improvement plan for brownfield incentives. Several PPS policies speak directly or indirectly to the efficient use of existing infrastructure and the remediation of contaminated brownfield sites, including:

- 1.1.1.e) *Healthy, liveable and safe communities are sustained by promoting cost-effective development standards to minimize land consumption and servicing costs.*
- 1.1.3.4. *Appropriate development standards should be promoted which facilitate intensification, redevelopment and compact form, while maintaining appropriate levels of public health and safety.*
- 1.6.2. *The use of existing infrastructure and public service facilities should be optimized, wherever feasible, before consideration is given to developing new*

*infrastructure and public service facilities.*

1.7.1.c) *Long-term economic prosperity should be supported by promoting the redevelopment of brownfield sites.*

3.2.2. *Contaminated sites should be remediated as necessary prior to any activity on the site associated with the proposed use such that there will be no adverse effects.*

In addition to the enabling provisions and policy framework of the *Planning Act*, challenges to the historic underutilization of brownfield sites are being addressed through the adoption of the *Brownfields Statute Law Amendment Act, 2001*. This Act, and its' associated Regulations, amended several constituent pieces of legislation to promote the redevelopment of brownfield sites by clarifying environmental liability to reduce the risks of redevelopment; streamlining planning processes to facilitate redevelopment; and providing a new financial incentive for environmental site remediation. Provincial Regulations 153/04 and 274/04, which implement several aspects of this legislation are now in effect and a suitable regulatory framework is in place within which to promote the remediation and redevelopment of brownfield sites. Section 365.1 of the *Municipal Act, 2001* now includes the enabling provisions for tax assistance that are being implemented through this Community Improvement Plan.

## **1.2 Official Plan:**

The policies in Chapter 14 of the City of London Official Plan provide a local planning framework for the formulation, adoption and implementation of community improvement plans. Section 14.1 states that the application of the community improvement policies shall be directed toward the following objectives:

- Provide for the designation of "Community Improvement Project Areas" in areas of the City that exhibit problems of instability, building deterioration, inadequate municipal services and facilities, or inappropriate arrangement of land uses.
- Promote the long-term stability and viability of designated "Community Improvement Project Areas."
- Encourage the co-ordination of municipal expenditures and planning and development activity within designated "Community Improvement Project Areas."
- Stimulate private property maintenance and reinvestment activity.
- Enhance the visual quality of designated "Community Improvement Project Areas" through the recognition and protection of heritage buildings.
- Reduce the detrimental effects of incompatible land uses in designated "Community Improvement Project Areas."
- Upgrade physical services and social and recreational facilities in designated "Community Improvement Project Areas."

This Community Improvement Plan implements several of these objectives. The program incentives that are identified, will support the remediation and redevelopment of brownfield sites, stimulating private reinvestment activity and reducing the detrimental effects associated with contaminated lands. The long-term viability of brownfield sites and areas will be enhanced as a result of the available incentives.

Selection criteria contained in Section 14.2.1. of the Official Plan provide a framework for the identification of eligible Community Improvement Project Areas. An Official Plan Amendment is required to delineate the Community Improvement Project Area for Brownfield Incentives on Map Figure 14.1. , and more clearly articulate the need for incentives relating to the remediation and redevelopment of brownfields in the City of London.

## **1.3 Purpose of the Community Improvement Plan for Brownfield Incentives:**

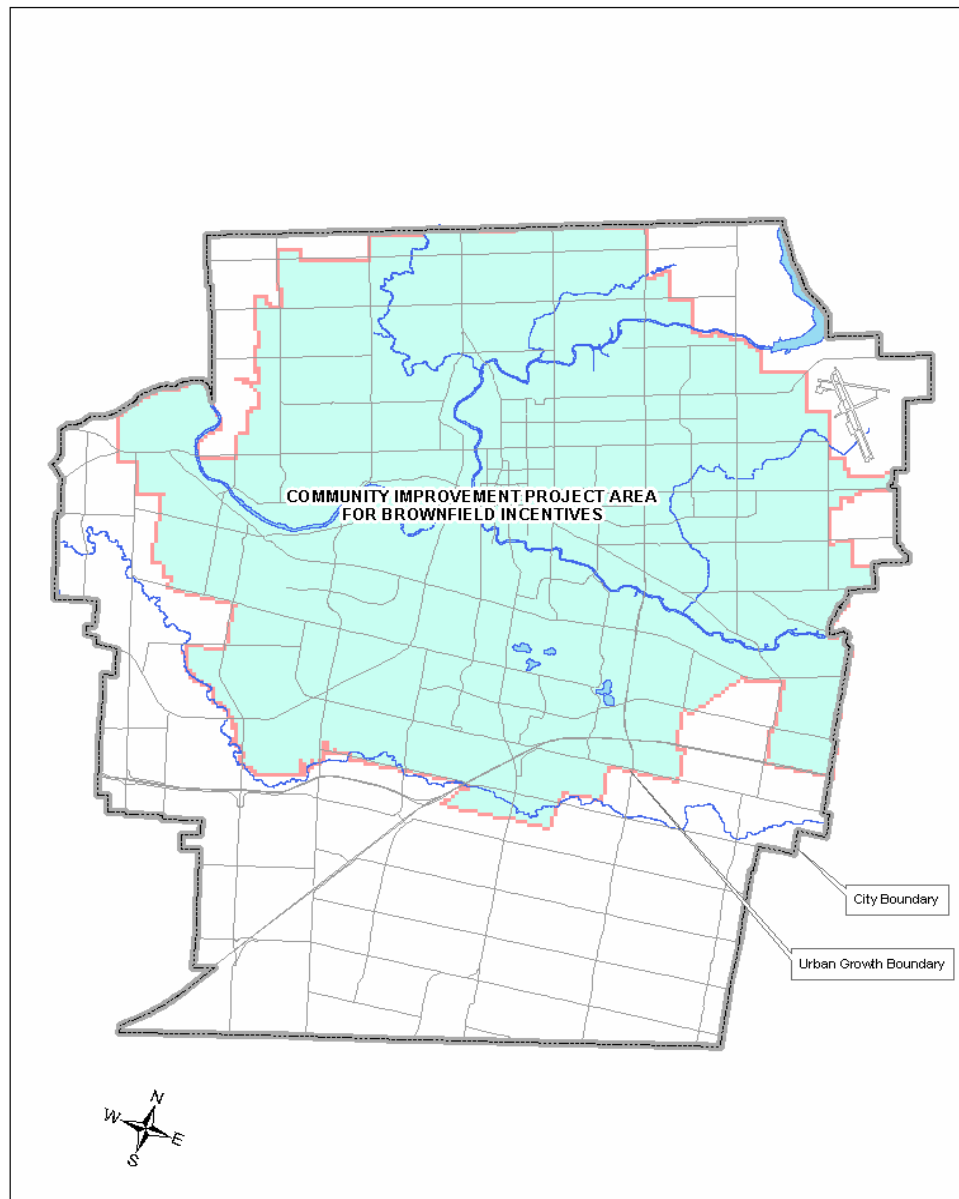
The purpose of the Brownfield Incentives CIP is to remove or reduce the obstacles that hinder brownfield remediation and redevelopment in the City of London. The redevelopment of brownfield sites can stimulate environmental improvements and community vitality, while utilizing existing municipal infrastructure. The program uses financial incentives to evaluate properties with real contamination, and encourages the private sector to invest in those properties for which remediation and redevelopment are feasible.

## **1.4 Area of Application:**

The Community Improvement Plan for Brownfield Incentives will apply to those lands that are within the Urban Growth Boundary (November 2005) identified on the Land Use Map (Schedule "A") of the Official Plan. Figure 1 below illustrates the Brownfields CIP Project Area.

The majority of brownfield sites in the City of London are located within the Urban Growth Boundary. Encouraging redevelopment within this area is consistent with the objectives and policies in both the Provincial Policy Statement and the City of London Official Plan, which support a compact urban form of development that is conducive to the maintenance and efficient use of existing services and facilities, and which minimizes the loss of productive agricultural land. The majority of lands located outside of the Urban Growth Boundary are designated Agriculture and not considered to be in need of remediation or redevelopment.

**Figure 1**



## 2. GENERAL ELIGIBILITY CRITERIA AND REQUIREMENTS

### 2.0 General Eligibility Criteria and Requirements:

The following general eligibility criteria apply to the suite of brownfield incentives in this Community Improvement Plan. While the general and program-specific criteria are intended to be comprehensive in nature they are not exhaustive and the City of London reserves the right to establish other criteria or requirements that may be deemed appropriate on a site-specific basis.

- The following terms are defined for the purposes of this Community Improvement Plan:

Brownfield – Means abandoned, vacant or underutilized lands and/or buildings within the Urban Growth Area of the City of London where expansion, retrofit or redevelopment may be complicated by environmental contamination from past uses and development activity.

Community Improvement Plan – Means a plan approved by the Minister of Municipal Affairs and Housing under Section 28 of the Planning Act, for the community improvement of a community improvement project area.

Contamination – Refers to a contaminant which is present in soil, groundwater or sediment at a concentration greater than background levels, or which exceeds the concentration established in Ontario Regulation 153/04 for the existing or proposed land use.

Development Period – Means, with respect to the eligible property, the period of time starting on the date the rehabilitation period ends and ending on the earlier of:

- (i) the third anniversary of the passage of the site specific enabling by-law, or a longer period of time as may be specified in the enabling by-law;
- (ii) the date that the tax assistance provided for the eligible property equals the remediation costs; or
- (iii) the date the City confirms that the development on the subject property is suitable for occupancy.

Phase I Environmental Site Assessment (ESA) – Means an assessment of property conducted by or under the supervision of a qualified person and in accordance with the *Environmental Protection Act* and Ontario Regulation 153/04 and the CAN/CSA Standard Z768, to determine the likelihood that one or more contaminants have affected all or part of the property.

Phase II Environmental Site Assessment (ESA) – Means an assessment of property conducted by or under the supervision of a qualified person and in accordance with the Regulations of the *Environmental Protection Act* and Ontario Regulation 153/04 and the CAN/CSA Standard Z768, to determine the location and concentration of one or more contaminants in the natural environment,

Property Owner – Means the person or persons or corporation registered as the owner of the lands on title in the Registry Office or Land Titles Office.

Rehabilitation – Includes any efforts that result in the productive reuse of lands or buildings within the Community Improvement Project Area.

Rehabilitation Period – Means, with respect to the eligible property, the period of time starting on the date on which the by-law under subsection 365.1(2) of the *Municipal Act, 2001* providing for tax assistance for the property is passed, and ending on the earliest of:

- (i) the date that is 18 months after the date that the tax assistance begins to be provided;
- (ii) the date that a Record of Site Condition for the property is filed in the Environmental Site Registry under section 168.4 of the *Environmental Protection Act*; or
- (iii) the date that the tax assistance provided for the property equals the remediation costs.

Remedial Action Plan – Means a plan to bring about the rehabilitation of a site within the Community Improvement Project Area, prepared in accordance with the *Environmental Protection Act* and Ontario Regulation 153/04.

Risk Assessment – Means an assessment of human health risks and ecological risks associated with the presence or discharge of contaminants on, in or under property,

prepared in accordance with the *Environmental Protection Act* and Ontario Regulation 153/04.

- Properties eligible for the financial components of the Community Improvement Plan for Brownfield Incentives must be within the Community Improvement Project Area, defined as the area located inside the Urban Growth Boundary on the Land Use Map (Schedule "A") of the Official Plan as of November 2005, and recognized in the Community Improvement Project Area By-law.
- None of the financial incentives in this Community Improvement Plan will be offered retroactively for site investigation, rehabilitation or development activities undertaken, or costs incurred prior to the approval of the Community Improvement Plan. Only applications that are submitted for work or development undertaken subsequent to the approval date of this Community Improvement Plan will be eligible for financial incentives.
- Applicants for the financial incentives provided in this Community Improvement Plan must be the registered owner(s) of the subject property.
- To be eligible for the financial incentives provided in this Community Improvement Plan, properties must not be in tax arrears. All taxes owing shall be paid prior to the disbursement of any grant or tax assistance money offered under this program. All required local improvement charges, taxes and other charges of the City shall be paid for the duration of the incentives programs offered under this Community Improvement Plan.
- All outstanding work orders and/or requests to comply from municipal departments and agencies shall be addressed to the satisfaction of the City of London prior to the disbursement of any financial incentives. For the duration of the incentives program, failure to address any work orders and/or requests to comply from municipal departments and agencies may result in the cancellation or postponement of the incentive(s).
- To be eligible for the financial incentives in this Community Improvement Plan the property owner shall comply with all relevant Provincial legislation including, but not limited to the requirements and regulations prescribed under *the Environmental Protection Act*.
- Applicants shall provide the City of London with all required information, Environmental Site Assessment (ESA) reports and findings on the environmental condition of the subject property prior to receiving any financial incentives under this Community Improvement Plan. All reports and information received by the City will be retained on file and available for review by City personnel, members of the public and potential investors.
- After the Community Improvement Plan has been in effect for five years, the Council will review the eligibility criteria and incentives offered to determine if the program should continue, be modified, or cease to issue any new commitments. Additional guidelines or eligibility requirements may be identified and implemented at any time, in order to provide a more detailed description of how this CIP will be administered. Modifications to this CIP will be made in accordance with the relevant provisions under the *Planning Act*.
- The City may discontinue the incentive programs at any time; however, any participants in the program prior to its cancellation will continue to receive the grant or tax assistance incentives as were approved for their properties.
- All applicants for the grant and tax assistance incentives offered under this Community Improvement Plan shall enter into an agreement with the City of London, that will specify the terms, conditions and obligations of the applicant, and the City.

**3. CONTAMINATION ASSESSMENT STUDY GRANT PROGRAM**

**3.0 Program Description:**

The lack of information on the existence, type, extent and location of site contamination is a key barrier to the redevelopment of brownfield sites. Contamination Assessment Grants are designed to stimulate private sector investment by providing accurate information on the extent of contamination that may be present, and the remediation costs that may be incurred to facilitate redevelopment. In other words, such studies reduce risk for potential investors.

Although site restoration and redevelopment is the ultimate goal of the Brownfield Incentives CIP, there is value in completing contamination assessment studies to provide information to both landowners and prospective purchasers. This information will remove the barrier associated with “unknown” site condition and remediation costs, providing potential investors with accurate information on remediation costs, associated risks and development potential.

Contamination Assessment Grants will be provided to the owners of eligible properties with real or suspected contamination, to conduct Phase II Environmental Site Assessments, Remedial Action Plans and/or Risk Assessments, in accordance with the requirements of the *Environmental Protection Act*. The amount of the study grants will be 50% of the cost of the environmental study, up to a maximum of \$10,000 per property. Following approval of the application, the owner will be required to enter into an agreement with the City which outlines the obligations of both parties. Studies must be conducted by a qualified person, as defined under Regulation 153/04 and upon completion, the City will be provided with a copy of all study reports.

A sample calculation of the grant amount that would be provided for the environmental studies is provided below:

<b>Study Type</b>	<b>Total Study Costs</b>	<b>Grant Amount</b>
Phase II ESA (small site)	\$7,500	\$3,750
Phase II ESA (large site)	\$50,000	\$10,000
Remedial Action Plan & Risk Assessment	\$9,000	\$4,500

A budgeted amount will be allocated each year for contamination assessment grants and applications will only be approved where funding is available within this funding amount.

**3.1 Program Eligibility Requirements:**

- All properties located within the designated Community Improvement Project Area are eligible to apply for Contamination Assessment Study Grants for the purpose of conducting a Phase II ESA, Remedial Action Plan and/or Risk Assessment, subject to the General Eligibility Criteria and Requirements identified in Section 2.0 above, the specific criteria and requirements listed below and the availability of funding, as approved by Council. Grants will not be provided for the preparation of Phase I ESA's.
- Contamination assessment study grants will only be offered to eligible properties where there is evidence of contamination (confirmed through a Phase I ESA), as well as potential for rehabilitation & redevelopment of the property.
- Grant applications may only be submitted for ESA's that have been initiated after this Community Improvement Plan has come into effect.
- A summary of the proposal and a quote from the consultant undertaking the study will be provided to the City prior to commencing the assessment.

- The City of London retains the right to refuse all grant monies solely at its' discretion where the costs of the proposed study are deemed by the City to be inflated or over-stated, or where unnecessary or inappropriate works are proposed.
- Contamination Assessment Study Grants will be provided for all eligible study costs, up to 50% of the cost to a maximum (for any individual study or combination of studies) of \$10,000 per property.
- The study grant will be paid to the registered owner of the eligible property after the City has received a copy of the final invoice and two (2) copies of the completed assessment study.
- The property owner shall provide the City with permission to circulate any completed studies to internal departments, members of the public and potential investors.

### **3.2 Program Administration:**

- Municipal staff shall be responsible for the administration of the Contamination Assessment Study Grant Program.
- All applications shall be submitted to the City of London, and shall include the following information:
  - name and address of the property owner and agent;
  - assessment roll number;
  - a plan showing existing development and land uses on the subject property;
  - legal property description including easements, restrictive covenants, rights-of-way and any other encumbrances or instruments registered on title;
  - a statement confirming whether any environmental studies have previously been completed for the subject property;
  - a description of the environmental study that is being conducted;
  - cost estimate, name and qualifications of the consultant who will be conducting the environmental study;
  - a description of any applications for development that are currently under review, or are being proposed for the subject property;
- Municipal staff will review the grant application and determine if it is complete. The application may be circulated to the Building Division, the Planning Division, the Finance & Administration Department, the City Solicitor's Office, the Heritage Planner and Environment & Engineering Services Department, where necessary.
- If the application meets all relevant eligibility criteria, staff will prepare an agreement between the City and the landowner.
- The applicant will engage his environmental consultant to proceed with the environmental study.
- Upon completion of the environmental study, the applicant will pay for the work performed and submit proof of payment the City, together with two (2) copies of the completed Environmental Study report. This report will be retained on file with the City of London and accessible to the public on an ongoing basis.
- Staff will requisition a cheque for the grant amount and provide payment to the property owner.

## 4. PROPERTY TAX ASSISTANCE PROGRAM

### 4.0 Program Description:

The Property Tax Assistance Program is intended to promote investment in brownfield properties by encouraging both the rehabilitation and development of contaminated sites.

Section 365.1 of the *Municipal Act, 2001* enables municipalities to pass a by-law providing tax assistance to an eligible property in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes. This ability under Section 365.1 of the Act differs from the broader ability of a municipality to provide grants and loans under Section 28 of the Planning Act.

For properties that meet the relevant eligibility criteria, the Minister of Finance may match the municipal contribution with education property tax assistance subject to the availability of Provincial funding. The matching education component is subject to approval by the Minister of Finance. Municipalities must have an approved Community Improvement Plan and a site specific by-law must be submitted to the Ministry of Finance for approval to be eligible for matching Provincial education property tax assistance. The Tax Assistance Program can provide municipal property tax assistance while rehabilitation and development is taking place. Unlike the Tax Increment Equivalent Grant (TIEG), eligible properties may qualify for matching education property tax assistance through the Brownfields Financial Tax Incentive Program (BFTIP).

This Tax Assistance Program provides for tax relief to property owners through the cancellation of 25% of current property taxes for up to three (3) years (or a longer period of time as may be specified in the site-specific enabling by-law) during which rehabilitation and development activity is taking place. Since the amount of tax assistance could be significant, a business case assessment is required for each application to evaluate the need for assistance, expected public benefits and required public expenditures. Applications may be approved or denied on the basis of the business case assessment and the availability of funding. To ensure that the level of financial assistance is in keeping with the intended purpose of the CIP, the cumulative amount of funding that may be provided through Property Tax Assistance, Tax Increment Equivalent Grants and Development Charge Rebate Grants, will not exceed the eligible site remediation costs for the subject property.

### 4.1 Program Eligibility Requirements:

- All properties located within the designated Community Improvement Project Area are eligible to apply for property tax assistance subject to the General Eligibility Criteria and Requirements identified in Section 2.0 above, the specific criteria and requirements listed below and the availability of funding, as approved by Council.
- The matching education component of property tax assistance is subject to separate approval by the Minister of Finance and the availability of Provincial funding.
- Each application will be considered on a case by case basis to consider the public and economic benefit of providing one or more incentive(s) to a property. In evaluating applications, approval of the incentive(s) may be recommended where:
  - a) the landowner/applicant has not contributed to the site contamination;
  - b) there are no outstanding property taxes, municipal orders or by-law infractions on the subject property;
  - c) all relevant supporting documentation and reports (i.e. ESA's, Remedial Action Plans, Risk Assessments) have been provided to the City;
  - d) financially supporting the proposal is considered to be both cost-effective for the City and in the public interest;
  - e) the incentives are considered necessary to make the remediation and redevelopment on the subject property feasible;
  - f) the amount of available and budgeted municipal funding is sufficient to cover the cumulative cost of all incentives that have been approved; and
  - g) Municipal Council deems that the costs associated with providing the program incentives are outweighed by the cumulative benefits of providing the incentive(s).
- Tax assistance will only be offered to eligible properties where there is a potential for

rehabilitation and/or redevelopment of the property.

- Applications for tax assistance may only be submitted for properties on which a Phase II ESA, Remedial Action Plan and/or Risk Assessment have been initiated after this Community Improvement Plan has come into effect. This program will not apply retroactively.
- A copy of the Phase II ESA, Remedial Action Plan and/or Risk Assessment report shall be provided to the City prior to commencing any remediation or development activity on the property. These reports will be retained by the City and available for review by City personnel, members of the public and potential investors.
- A Record of Site Condition, certifying site remediation to appropriate contaminant levels according to Provincial criteria, must be submitted to the City and acknowledged by the Ministry of the Environment prior to commencing any development or redevelopment.
- Eligible remediation costs under the City's Municipal Property Tax Assistance Program shall include:
  - 100% of building demolition costs;
  - 100% of site remediation costs;
  - 100% of the cost of rehabilitating existing structures; and
  - 100% of the cost of environmental insurance premiums during the remediation phase up to the date the first building permit is issued, to guarantee that the remediation will be completed;
- Eligible remediation costs shall not include any costs for which grants have been provided under the Contamination Assessment Study Grants Program outlined in Section 3 of this CIP.
- Eligible remediation costs for the education component of property tax assistance are determined by the Province, and may differ from those eligibility requirements outlined for the Municipal Property Tax Assistance Program.
- The combined benefits provided under all grant, loan and property tax assistance programs proposed in this plan, or any other CIP, may not exceed the cost of rehabilitating the lands.
- Municipal property tax assistance granted during the rehabilitation and development periods for the property becomes liable for payment in full, with interest, in cases where the property owner defaults on by-law or agreement requirements.

#### **4.2 Tax Assistance Period:**

- Property tax assistance may be provided during the rehabilitation period until the earliest of:
  - (i) 18 months after the date that the tax assistance begins to be provided;
  - (ii) the date that a Record of Site Condition for the property is filed in the Environmental Site Registry under section 168.4 of the Environmental Protection Act; or
  - (iii) the date that the tax assistance provided for the property equals the remediation costs.
- Property tax assistance may be provided during the development period until the earliest of:
  - (i) three years after the date that the tax assistance begins to be provided, or a longer period of time as may be specified in the site specific enabling by-law;
  - (ii) the date that the tax assistance provided for the eligible property equals the remediation costs; or
  - (iii) the date the City confirms that the development on the subject property is suitable for occupancy.

#### **4.3 Program Administration:**

- All applications for property tax assistance shall be submitted to the municipal staff, and shall include the following information:
  - name and address of the property owner and agent;
  - assessment roll number;
  - a plan showing existing development and land uses on the subject property;
  - legal property description including easements, restrictive covenants, rights-of-way and any other encumbrances or instruments registered on title;
  - a statement confirming whether any environmental studies have previously been completed for the subject property;

- a description of the site restoration work that is being proposed;
  - cost estimate, name and qualifications of the contractor who will be conducting the proposed site restoration work;
  - a description of any applications for development that are currently under review, or are being proposed for the subject property;
- The municipal staff will review the application and determine if it is complete. The application will be circulated and evaluated by a review committee comprised of representatives from the Building Division, the Planning Division, the Finance & Administration Department, the City Solicitor's Office and the Environmental & Engineering Services Department.
  - Where incentives are being recommended, the review committee will present a report to the Board of Control, together with the authorizing by-law and landowner agreement. The Board of Control will make a recommendation for approval or refusal of any incentive or combination of incentives to City Council.
  - If the applicant is eligible for matching education funding from the Province, the authorizing by-law and required documentation will be forwarded to the Minister of Finance for approval if passed by Council.
  - The applicant provides the City with copies of all relevant environmental reports (i.e. ESA, Remedial Action Plan and Risk Assessment) and estimates for the work to be undertaken.
  - An agreement is executed between the City and the landowner outlining the terms and conditions of the property tax assistance. If the landowner does not comply with all conditions of the agreement and other relevant municipal requirements, all financial incentives, assistance and grants provided under this program will be repayed to the City, with interest.
  - The applicant engages the consultant and/or contractor to proceed with the site restoration work.
  - The tax assistance may be provided in either or both the rehabilitation or development periods.
  - Upon completion of the site restoration work the applicant files a Record of Site Condition with the Ministry of the Environment. The applicant then provides a copy of the Ministry's acknowledgement and Record of Site Condition to the City.
  - The applicant provides a copy of the invoices for all completed site rehabilitation work to the City.
  - The tax assistance ceases to be provided at the end of the development period.

#### **4.4 Matching Education Tax Assistance:**

For properties located in this Community Improvement Project Area, the Ministry of Finance may match the municipal contribution with education property tax assistance to offset the costs of site rehabilitation, subject to meeting certain eligibility requirements. The education property tax assistance component would be provided for a maximum period of three (3) years (or a longer period of time as may be specified in the site specific enabling by-law), subject to the requirements established by Section 365.1 of the *Municipal Act 2001*, and the availability of funding. The following eligibility and program requirements apply to the matching education tax assistance component:

- Where a property within the Community Improvement Project Area is eligible to receive tax assistance under Section 365.1 of the *Municipal Act, 2001*, the City will prepare a draft by-law, which specifically identifies the property by its assessment roll number, street address and landowner, with conditions for the provision of matching education property tax assistance. This draft by-law will be provided to the Ministry of Finance as part of the application form for matching education property tax assistance.
- The matching education property tax assistance granted by the Ministry of Finance will be awarded annually each taxation year at the start of the rehabilitation period, for a maximum of three (3) years, unless otherwise approved by the Minister.
- The conditions imposed by the Ministry of Finance for the matching education property tax

assistance under Section 365.1 of the *Municipal Act, 2001* may differ from those applied by the City pursuant to this Community Improvement Plan.

- The maximum of all grants, loans and tax assistance available for eligible brownfield properties cannot exceed the cost of rehabilitating the property.
- Tax assistance for a subject property will be suspended where the property owner has not paid all of the taxes on a subject property for the previous years in the rehabilitation and development periods.
- Matching education property tax assistance granted during the rehabilitation and development periods becomes liable for payment in full, with interest, in cases where the landowner defaults on by-law or agreement requirements.
- The matching education property tax assistance shall be terminated at the earliest of:
  - a) the point of severance or subdivision of the subject property;
  - b) the point of sale or conveyance;
  - c) the date that tax assistance equals accumulated costs of contaminant reduction action taken to permit the filing of a Record of Site Condition; or
  - d) the date ending three (3) consecutive years of matching education property tax assistance or a longer period of time as may be specified in the site specific enabling by-law.
- The Education component of this tax assistance program is the responsibility of the Provincial Government. The City of London assumes no responsibility for this portion of the tax incentive should the Provincial Government discontinue funding for their portion of the program.

## 5. DEVELOPMENT CHARGE REBATE PROGRAM

### 5.0 Program Description:

The majority of brownfield sites within this Community Improvement Project Area have full municipal services. Redevelopment of these sites provides a public benefit by reducing urban sprawl and taking advantage of the City's existing servicing infrastructure. Reducing the development charges will provide an incentive to the owners after site remediation has been undertaken and prior to the commencement of development. This financial benefit, together with the other incentives that are offered for brownfields, will lower the "up-front" development costs and encourage investment by landowners.

New residential development in the Downtown area and Old East Village areas of the City are already fully exempt from paying development charges under the Development Charges By-law. For brownfield sites that are not already exempt, the Development Charges Rebate Program would provide a grant back to the property owner for up to 50% of the normal development charge to cover eligible remediation costs (an area-wide or property class exemption in Development Charges By-law –C.P.1440-167 is not applicable since this benefit will only apply to individual properties that are approved on a case-by-case basis).

### 5.1 Program Eligibility Requirements:

- All properties located within the designated Community Improvement Project Area are eligible to receive a rebate back for eligible remediation costs on up to 50% of the Development Charges that have been paid subject to the General Eligibility Criteria and Requirements identified in Section 2.0 above, the specific eligibility criteria and requirements listed below and the availability of funding, as approved by Council.
- Each application will be considered on a case by case basis to consider the public and economic benefit of providing one or more incentive(s) to a property. In evaluating applications, approval of the incentive(s) may be recommended where:
  - a) the landowner/applicant has not contributed to the site contamination;
  - b) there are no outstanding property taxes, municipal orders or by-law infractions on the subject property;
  - c) all relevant supporting documentation and reports (i.e. ESA's, Remedial Action Plans, Risk Assessments) have been provided to the City;
  - d) financially supporting the proposal is considered to be both cost-effective for the City and in the public interest;
  - e) the incentives are considered necessary to make the remediation and redevelopment on the subject property feasible;
  - f) the amount of available and budgeted municipal funding is sufficient to cover the cumulative cost of all incentives that have been approved; and
  - g) Municipal Council deems that the costs associated with providing the program incentives are outweighed by the cumulative benefits of providing the incentive(s).
- Applications for development charge rebates may only be submitted for properties on which a Phase II ESA, Remedial Action Plan and/or Risk Assessment have been initiated after this Community Improvement Plan has come into effect.
- A copy of the Phase II ESA, Remedial Action Plan and/or Risk Assessment report shall be provided to the City prior to commencing any development activity on the property. These reports will be retained by the City and available for review by City personnel, members of the public and potential investors.
- A Record of Site Condition, certifying site remediation to appropriate contaminant levels according to Provincial criteria, must be submitted to the City and acknowledged by the Ministry of the Environment prior to commencing any development or redevelopment.
- Eligible remediation costs for development charge rebates under this program shall include:
  - 100% of building demolition costs;
  - 100% of site remediation costs;
  - 100% of the cost of rehabilitating existing structures; and
  - 100% of the cost of environmental insurance premiums during the remediation phase

up to the date the first building permit is issued, to guarantee that the remediation will be completed;

- Eligible remediation costs shall not include any costs for which grants have been provided under the Contamination Assessment Study Grants Program outlined in Section 3 of this CIP.
- The combined benefits provided under all grant, loan and property tax assistance programs proposed in this plan or any other CIP, may not exceed the cost of rehabilitating the lands.
- The development charge rebate grant becomes liable for payment in full, with interest, in cases where the property owner defaults on by-law or agreement requirements.

## **5.2 Program Administration:**

- All applications for development charge rebates shall be submitted to the municipal staff, and shall include the following information:
  - name and address of the property owner and agent;
  - assessment roll number;
  - a plan showing existing development and land uses on the subject property;
  - legal property description including easements, restrictive covenants, rights-of-way and any other encumbrances or instruments registered on title;
  - a statement confirming whether any environmental studies have previously been completed for the subject property;
  - a description of the site restoration work that is being proposed;
  - cost estimate, name and qualifications of the contractor who will be conducting the proposed site restoration work;
- The municipal staff will review the application and determine if it is complete. The application will be circulated and evaluated by a review committee comprised of representatives from the Building Division, the Planning Division, the Finance & Administration Department, City Solicitor's Office and Environmental & Engineering Services Department.
- Where incentives are being recommended, the review committee will submit a report to the Board of Control, together with the property owner agreement. The Board of Control will make a recommendation for approval or refusal of any incentive or combination of incentive(s) to City Council.
- An agreement is executed between the City and the property owner outlining the terms and conditions of the approved incentive(s). If the property owner does not comply with all conditions of the agreement and other relevant municipal requirements, all financial incentives, assistance and grants provided under this program will be repayed to the City, with interest.
- The Planning Division advises Finance & Administration and the Building Division of any Development Charge rebate(s) approved under this Community Improvement Plan.
- The property owner provides payment for the full amount required under Development Charges By-law –C.P.1440-167 and requests a rebate in the amount of the eligible costs.
- The Planning Division confirms that all relevant requirements and conditions of the CIP have been satisfied and advises Finance & Administration.
- Finance & Administration issues a rebate cheque in the amount of the eligible benefit to the property owner.

## 6. TAX INCREMENT EQUIVALENT GRANT PROGRAM

### 6.0 Program Description:

In addition to encouraging environmental site assessments and remediation, the ultimate objective of redeveloping brownfield sites can only be achieved if reinvestment is considered to be financially attractive. Since 1996, development on vacant or underutilized sites in the Downtown area has benefited from redevelopment grants, established through the adoption of a Community Improvement Program, which reimburse part of the municipal portion of tax increases for new development on vacant or underutilized sites. This program, together with the other incentives, has been instrumental in attracting reinvestment in the Downtown area of the City. A similar program would also support new development on brownfield sites that have been through the environmental site assessment and site restoration process.

The amount of the tax increment equivalent grant is equal to the increase between the pre-development and post-development municipal portion of property taxes after rehabilitation and development has taken place. Where improvements have been approved by the City, resulting in an increased assessed value of the property and therefore increased taxes, the City will provide a grant equal to the amount of the municipal property tax increase as a result of the rehabilitation and development for up to a maximum of three (3) years from the date of the increase in assessed value.

As with the other incentive programs that are offered under this CIP, the combined benefits provided under all grant, loan and property tax assistance programs proposed in this plan or any other CIP, may not exceed the cost of rehabilitating the lands.

### 6.1 Program Eligibility & Requirements:

- All properties located within the designated Community Improvement Project Area are eligible to apply for tax increment equivalent grants subject to the General Eligibility Criteria and Requirements identified in Section 2.0 above, the specific criteria and requirements listed below and the availability of funding, as approved by Council.
- Each application will be considered on a case by case basis to consider the public and economic benefit of providing one or more incentive(s) to a property. In evaluating applications, approval of the incentive(s) may be recommended where:
  - a) the landowner/applicant has not contributed to the site contamination;
  - b) there are no outstanding property taxes, municipal orders or by-law infractions on the subject property;
  - c) all relevant supporting documentation and reports (i.e. ESA's, Remedial Action Plans, Risk Assessments) have been provided to the City;
  - d) financially supporting the proposal is considered to be both cost-effective for the City and in the public interest;
  - e) the incentives are considered necessary to make the remediation and redevelopment on the subject property feasible;
  - f) the amount of available and budgeted municipal funding is sufficient to cover the cumulative cost of all incentives that have been approved; and
  - g) Municipal Council deems that the costs associated with providing the program incentives are outweighed by the cumulative benefits of providing the incentive(s).
- Applications for tax increment equivalent grants may only be submitted for properties on which a Phase II ESA, Remedial Action Plan and/or Risk Assessment have been initiated after this Community Improvement Plan has come into effect.
- A copy of the Phase II ESA, Remedial Action Plan and/or Risk Assessment report shall be provided to the City prior to commencing any remediation or development activity on the property. These reports will be retained by the City and available for review by City personnel, members of the public and potential investors.
- A Record of Site Condition, certifying site remediation to appropriate contaminant levels according to Provincial criteria, must be submitted to the City and acknowledged by the Ministry of the Environment prior to commencing any development or redevelopment.

- Eligible remediation costs for tax increment equivalent grants under this program shall include:
  - 100% of building demolition costs;
  - 100% of site remediation costs;
  - 100% of the cost of rehabilitating existing structures; and
  - 100% of the cost of environmental insurance premiums during the remediation phase up to the date the first building permit is issued, to guarantee that the remediation will be completed;
- Eligible remediation costs shall not include any costs for which grants have been provided under the Contamination Assessment Study Grants Program outlined in Section 3 of this CIP.
- The combined benefits provided under all grant, loan and property tax assistance programs proposed in this plan or any other CIP, may not exceed the cost of rehabilitating the lands.
- The annual grant is defined as the grant amount that would be given to the applicant in any one year of the three-year grant period. The annual grant will be constant each year but may be adjusted in the final year, if necessary, so that the total amount of financial benefits issued under this CIP program does not exceed the total amount of eligible remediation costs.
- Tax increment equivalent grants become liable for payment in full, with interest, in cases where the landowner defaults on by-law or agreement requirements.

## **6.2 Grant Period:**

- Grants for the municipal portion of property taxes will be paid over a 3 year period, or until the total amount of the financial assistance and grants issued under this CIP equals the total amount of eligible remediation costs, whichever occurs first.
- “Year 1” of the program will be defined as the first full calendar year that taxes are paid after the project is completed (i.e. after the Development Period) and the property is reassessed.

## **6.3 Program Administration:**

- All applications under the Tax Increment Equivalent Grant Program shall be submitted to the municipal staff, and shall include the following information:
  - a. name and address of the property owner and agent;
  - b. assessment roll number;
  - c. a plan showing existing development and land uses on the subject property;
  - d. legal property description including easements, restrictive covenants, rights-of-way and any other encumbrances or instruments registered on title;
  - e. a statement confirming whether any environmental studies have previously been completed for the subject property;
  - f. a description of the site restoration work that is being proposed;
  - g. cost estimate, name and qualifications of the contractor who will be conducting the proposed site restoration work;
  - h. a description of any applications for development that are currently under review, or are being proposed for the subject property;
- The municipal staff will review the application and determine if it is complete. The application will be circulated and evaluated by a review committee comprised of representatives from the Building Division, the Planning Division, the Finance & Administration Department, the City Solicitor’s Office and the Environmental & Engineering Services Department.
- Where incentives are being recommended, the review committee will submit a report to the Board of Control, together with the landowner agreement. The Board of Control will make a recommendation for approval or refusal of any incentive or combination of incentive(s) to City Council.
- An agreement is executed between the City and the landowner outlining the terms and conditions of the approved incentive(s). If the landowner does not comply with all conditions of the agreement and other relevant municipal requirements, all financial incentives, assistance and grants provided under this program will be repayed to the City, with interest.
- A copy of the agreement is provided to the City’s Finance & Administration Department who

will determine and record the pre-approved assessed value of the property to be used for the purpose of calculating the annual tax increment.

- The applicant engages the consultant and/or contractor to proceed with the site restoration work.
- Upon completion of the site restoration work the applicant files a Record of Site Condition with the Ministry of the Environment. The applicant then provides a copy of the Ministry's acknowledgement and Record of Site Condition to the City.
- The applicant provides a copy of the invoices for all completed site restoration work to the City.
- The applicant obtains building permit(s) and/or other required permits from the City and commences development.
- Once the development is complete and the property has been revalued by MPAC, the property owner will be issued a new tax notice based on the post-improved assessment value.
- After the property owner has paid the taxes in full for one (1) year the City will confirm that the property is not in tax arrears and all other requirements of this CIP have been met.
- The City calculates the eligible municipal portion of the tax increment and issues a cheque for the equivalent grant amount to the property owner.

## **7. GREEN MUNICIPAL FUND PROGRAM**

### **7.0 Program Description:**

Within the project area of this Community Improvement Plan it is expected that applications will be made for financial assistance under the Green Municipal Fund Program. The Green Municipal Fund (GMF) is a source of financing for municipal environmental projects, funded by the Government of Canada and managed by the Federation of Canadian Municipalities (FCM). The programs funded by GMF support a variety of environmental projects in categories such as Energy, Waste, Water, Sustainable Transportation, Integrated Community Planning and Brownfield Remediation.

Funding for brownfield remediation includes grants to conduct site investigations and feasibility studies, and low interest rate loans for site remediation projects. The programs are offered annually and any municipal government is eligible to apply for funding (municipalities may partner with a private sector landowner or developer). In Ontario, properties are typically required to be within a Community Improvement Project Area that supports brownfield remediation and redevelopment in order to qualify for funding under the Green Municipal Fund Program.

The GMF program is oriented to larger projects that may require extraordinary funding (i.e. above and beyond the financial assistance that may be available through the City's CIP). Applications are completed on a project-by-project basis and considered through a Request for Proposals (RFP) process. The amount of funding that is provided will depend on the potential of the project for public benefit (environmental, social and economic). Funding is allocated and awarded annually through the Request for Proposals (RFP) process.

### **7.1 Eligibility Requirements:**

- The City of London may apply for financial assistance under the Green Municipal Fund Program to support the remediation and redevelopment of any brownfield located within this CIP Project Area.
- Applications will be considered and endorsed by Council on a project-by-project basis.
- Applications may be made for City of London projects, or for projects that include a private sector partner who has an interest in the remediation and redevelopment of a brownfield site within the CIP Project Area.
- Where an application is made with a private sector partner, the City of London and the partner shall enter into an agreement outlining the terms and conditions of the partnership and this agreement shall form part of the application.
- The combined benefits provided under all grant, loan and property tax assistance programs proposed in this plan or any other CIP, may not exceed the cost of rehabilitating the lands.

### **7.2 Program Implementation:**

Since applications initiated by the City of London may be contingent upon agreements with private sector partners, it is difficult to pre-determine the level of staff time and resources that may be required to prepare applications in any given year. To ensure that there will be sufficient resources to respond within the available timeframe, annual funding will be allocated for input from consultants and/or contract staff to assist with the preparation of applications.