

PROGRAM GUIDELINES FOR THE CITY OF WOODSTOCK DOWNTOWN AREA TAX GRANT BACK PROGRAM

These guidelines are to be used by persons wishing to apply for Tax Grant Back Program funding offered under the Downtown Area Community Improvement Plan by the City of Woodstock.

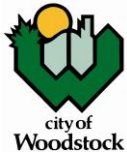
The Applicant is required to provide appropriate answers to all questions on the application form. If all prescribed information is not provided, the application will not be accepted.

SUBMISSION OF APPLICATION:

Please submit the completed application form and other information as set out herein to:

City of Woodstock
Economic Development Office
P.O. Box 1539
500 Dundas Street
Woodstock, ON N4S 0A7

Attention: Brad Hammond, Economic Development Officer
Phone: 519-539-2382 Ext. 2113
bhammond@cityofwoodstock.ca



TAX GRANT BACK PROGRAM GUIDELINES

1.0 Purpose

The Tax Grant Back program is intended to:

- provide a financial incentive in the form of a grant to promote rehabilitation, redevelopment, infill and intensification projects within the CIP Area;
- provide a grant for the equivalent of the City portion of the Property Tax increase as a result of a Municipal Property Assessment Corporation re-assessment of a property value as a direct result of improvements to the building; and
- bring participating buildings and properties within the identified community improvement areas into conformity with the City of Woodstock Property Standards By-law.

Only those projects that result in an increase in property assessment and property taxes will be eligible for funding under this program as denoted in Section 4.0 of this guideline.

2.0 Funding

Grant commitments will be provided subject to funding availability in the supporting reserve fund. Should there not be adequate funding to meet demand for the grant program, applications will be held and processed in chronological order of their application date as funding becomes available. The owner is expected to initially pay for the entire cost of the project. Then, as the City receives the increased property taxes that result from the project, the City will reimburse the owner in the form of an annual grant. The grant is equivalent to 100% of the City tax increment that results from the project for up to five (5) years while the program is in effect

3.0 Eligible Areas

The Tax Grant Back Program applies to:

- All properties within the 'Central Area' as defined on Schedule W-2 of County Official Plan as shown on Figure 1 in the Downtown Area CIP.



3.1 Eligible Uses

The Tax Grant Back Program shall apply to the following:

- Renovation or rehabilitation (including building additions) resulting in reassessment;
- Demolition and redevelopment;
- Conversion of existing floor area which creates one or more residential dwelling units.

4.0 Eligibility for Grant (Owner)

To be eligible for a Tax Grant Back Program, the owner must meet all the conditions detailed in this program description and the associated grant agreement including:

- the owner must submit a complete application;
- the owner must be the registered owner of the property for which the application is being submitted;
- the amount of renovations undertaken shall be sufficient to result in a re-assessment of the property and shall have a minimum value of \$10,000;
- all City of Woodstock taxes must be paid in full when the grant is issued and shall be kept up to date during that period of time participation in the program occurs otherwise the grant shall be forfeited and any grants paid shall be repaid to the City;
- the owner must provide sources of government and/or non-profit organization funding (Federal, Provincial, County, CMHC, Federation of Canadian Municipalities, etc.) that can be applied against the eligible costs are anticipated or have been secured, and must be declared as part of the application;
- the improvements will have regard to the Woodstock Central Area Design Guidelines to the satisfaction of the City of Woodstock. No grant shall be issued until such time as the eligible works are deemed to be complete by the City;
- the proposed development must conform to the Zoning By-law, pertinent Official Plan policies, the Downtown CIP, and any other documents that the City deems relevant. Additionally, the improvements to be undertaken shall conform to approved Council design guidelines, policies and regulations apply to the property;
- the property shall be maintained in a satisfactory state of repair consistent with City By-laws otherwise the grant shall be forfeited and any grants paid shall be repaid to the City;



- there must be no other outstanding debts to the City of Woodstock;
- outstanding work orders for the City's Building Department or Fire Department and requests to comply must be addressed prior to approvals being granted;
- the owner must not have defaulted on any City-sponsored grant/loan program in the past;
- if the property is demolished before the tax increment-based grant period elapses it shall cause the grants to be forfeited and may be repayable to the City;
- the applicant must sign an agreement which will identify the terms and conditions of the grant; and
- if the property is under an assessment appeal, the grant application will be held in abeyance until the appeal is resolved.

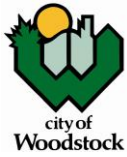
4.1 Eligibility for Grant (Structure)

Eligible structures for the Tax Grant Back Program would include:

- occupied or vacant structures;
- any discrete building held in one ownership in the identified program area. Within a contiguous group of buildings, a discrete building will be interpreted as any structure which is separated from other structures by a solid party wall. The entirety of a multi-unit building, which contains separate units with condominium status, will be considered one building for the purpose of this program;
- Each discrete building on each property is eligible for multiple loans provided the loans do not exceed the maximum amount allowable under program guidelines. Separate applications must be submitted for each discrete building on a single property;
- There must be no City of Woodstock Building Department or Fire Department orders or deficiencies when the grant/loan is issued.

5.0 General Terms of the Grant

The Tax Grant Back Program shall apply to the City's increase in taxes and Business Improvement Area (BIA) levy. The time period for which a grant would be available would be a maximum of 5 years following construction.



5.1 Grant Amount

For the purpose of the Tax Grant Back Program, the grant value for the Grant Year will be calculated as follows:

- At the time of building permit application the owner would provide the value of the rehabilitation/redevelopment work to be undertaken and the pre-construction taxes on the building or land shall be noted and used as a benchmark or 'base year' tax rate;
- After completion of the project the property will be reassessed and taxes will be paid by the property owner in the normal fashion;
- The difference between the 'pre-construction' taxes and the 'post-construction' taxes (associated with the improvement as opposed to any class change) will be calculated and this difference would be the portion eligible for a full or partial tax increment-based grant to the owner for the specific period of time the program is in effect. Grant applications approved near the end of the program will be permitted to be finalized according to the terms of the program;
- The portion to be granted back only includes the increase in the City's taxes and BIA levy associated with the improvement. The portion of municipal taxation levied for Education and County purposes will not be granted back.

5.2 Grant Security

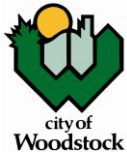
The grant is payable upon the completion of the grant year.

5.3 Grant Disbursement

The grant will be paid to the property owner at the end of the Grant Year. The first grant payment will be advanced once:

- i) A Grant Agreement has been signed and executed;
- ii) Construction is complete;
- iii) The property has been re-valued by the Municipal Property Assessment Corporation (MPAC);
- iv) Municipal property taxes have been levied based on the new assessment value; and
- v) All assessment appeals have been resolved.

Prior to the disbursement of subsequent tax grants, the applicant must ensure that the proposed development continues to conform to the appropriate City By-laws, and any other documents that the City deems relevant and that the property is maintained in a satisfactory state of repair otherwise the grant shall be forfeited and any grants paid shall be repaid to the City.



5.4 Grant Repayment Provisions

Not applicable.

5.5 Transferable Grants

If the building is sold, the seller forfeits all rights to future grants for the building. The new owner would be eligible for future grants subject to the terms and conditions detailed in this guideline. In those instances where the building is sold, the grant for the seller and buyer would be pro-rated to reflect the date of sale and purchase.

6.0 Additional Rehabilitation and Demolition

Work to the interior of the building can be undertaken without the approval of the Economic Development Office, subject to obtaining a building permit where required. One objective in providing the assistance under this program will be to bring the entire property into conformity with the City's Property Standards By-law. The Tax Grant Back Program does not impose any specific restrictions on demolition except that in those instances where the building is demolished, the Annual Tax Grant will be pro-rated to reflect the date of demolition and active occupancy by a permitted use.

7.0 Relationship to other Financial Incentive Programs

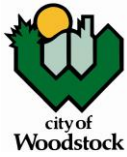
It is intended that the Tax Grant Back Program may complement other incentive programs offered by the City of Woodstock. Property owners may also qualify for financial assistance under those programs specifically detailed on Section of 8 of the Downtown Area Community Improvement Plan. However, the funding from these programs cannot be used to subsidize the property owner's share of the total cost of other program improvements.

8.0 Procedures

The following procedures must be completed in entirety prior to the disbursement of funds under the Tax Grant Back Program.

8.1 Grant Application

The applicant is required to submit a complete application form and submit the form to the Development Commissioner or designate during the current grant year for which the application is being made.



8.2 A "Complete" Grant Application

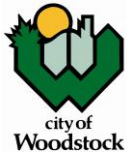
To be eligible for a Tax Grant, the applicant will be required to submit a complete application. A complete application may include:

- Complete drawings of the works to be undertaken;
- A copy of the Building Permit;
- Product brochures for the proposed installations;
- Project description of construction works applicable to the grant including the number and size of existing units to rehabilitated and/or number and size of units to be constructed;
- Estimated start/end of construction;
- The cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purpose of the program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit. In no case shall a grant be issued where the portion of the loan attributed to work completed under a Building Permit exceed the verified construction value noted on the Building Permit;
- The cost estimate of the design fees; and
- Any or other information that may be deemed necessary by the Development Commissioner or designate.

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.

8.3 Relationship of the Improvements to Design Guidelines

The application will include a description of how the proposed works relate to the Central Area Design Guidelines. The onus is on the applicant to show how the proposed works relate to the relevant Design Guideline.



8.4 Building Department Inspection

Following the submission of the loan and prior to its approval, the Building Department will inspect the building to review its condition and the proposed amendments. The Economic Development Office will make arrangements for a title search of the property and check on tax payment records.

8.5 Final Determination of Grant Qualification

The Economic Development Commissioner or designate, will make the final determination as to whether or not the applicant qualifies for a grant under the Tax Grant Back Program. The Economic Development Commissioner, or designate may require further drawings and/or other items of information relating to the proposal before a final determination is made as to whether or not an applicant may qualify for a grant.

8.6 Grant Approval - Approval Expires in One Year

The Economic Development Commissioner, or designate will notify the applicant of grant qualification. The letter of grant qualification will serve to confirm or refine the information originally provided in the tax grant application including: total building area and gross leasable floor area; and, the grant level factor. If an application is refused, the applicant may appeal the decision of the Economic Development Commissioner to City Council.

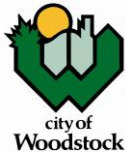
Approval by means of a letter to the applicant will represent grant qualification. Grant qualification will be valid for one year. The applicant will be responsible for ensuring that they can be contacted by the City for the purpose of receiving the grant cheque. If applicants cannot be reached at the end of the grant year for a protracted period of time (greater than 6 months) the City will have the option, without further notice and at its own discretion, of defaulting the grant application for inactivity thereby eliminating all grant obligations to the applicant for the grant year in which the grant qualification was issued.

8.7 Annual Grant Payment

The next step in the process requires action by the applicant.

At the end of each grant year, the applicant will be required to submit a letter of acknowledgement to the Economic Development Commissioner certifying that the proposed development continues to conform to the appropriate City By-laws, and any other documents that the City deems relevant and that the property is being maintained in a satisfactory state of repair. Failure to submit this letter, or provide misleading information therein, could result in the forfeiture of any or all future grants.

Prior to the disbursement of the annual tax grant, the Economic Development Commissioner will ensure that the provisions of Section 5.3 Grant Disbursements have been satisfied.



8.8 Registration of Agreement/Legal Costs

The City of Woodstock shall be responsible for the cost and executing of the agreement and associated legal fees in doing so.

9.0 Administration

Minor grammatical, referencing or formatting amendments in this program that do not impact of funding or eligibility requirements may be undertaken at the discretion of the City without an amendment to this program.

10.0 Termination of Program

The City may discontinue the program at any time; however, loan commitments given prior to its termination will be processed in entirety subject to the eligibility criteria detailed in the program guideline.