



**Downtown Business Improvement Area (BIA)
and Central Business District Zone (CBD)
Financial Incentive Program**

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**DOWNTOWN BUSINESS IMPROVEMENT AREA (BIA) AND
CENTRAL BUSINESS DISTRICT ZONE (CBD)
FINANCIAL INCENTIVE PROGRAM**

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**BIA AND CBD
FINANCIAL INCENTIVE PROGRAM**

1. PROGRAM DESCRIPTION

The BIA and CBD Financial Incentive Program will focus on assisting with the revitalization of vacant, under-utilized, derelict and dilapidated properties and buildings within the designated BIA and CBD Financial Incentive Program Area outside of the Downtown Community Improvement Plan area. The goal of the BIA and CBD Financial Incentive Program is to entice City Changing developments valued at \$10 million dollars or more which would otherwise not occur.

Properties located within the Downtown Community Improvement Area will not be considered under the BIA and CBD Financial Incentive Program. Applicants seeking grants for properties located with the Downtown Community Improvement Area will be directed to apply under the Financial Incentive Program for Downtown Community Improvement Plan Area & Designated Heritage Properties.

Grants under the BIA and CBD Financial Incentive Program will contribute to the development of the municipality. By putting properties and buildings back into a fully productive use, the City will, in the long term, strengthen and enhance its property tax base through higher property taxes and existing services and infrastructure will be used more effectively. In addition, it is anticipated that the BIA and CBD Financial Incentive Program will serve as a catalyst for increased development activities in the surrounding downtown, which in turn will attract further businesses, residents, and employment.

The BIA and CBD Financial Incentive Program consists of three components: 1) Redevelopment Grant; 2) Municipal Infrastructure Grant; and 3) Building Permit and Planning Fee Equivalent Grant. It is anticipated that Grants from the Program will act as a catalyst for increased development activities in the surrounding downtown, which will in turn attract further businesses, residents and employment. The description, criteria, and application process for Grant under the Program are outlined in the following pages.

1.1 BIA and CBD Redevelopment Grant

The Redevelopment Grant is intended to provide a financial incentive to property owners who rehabilitate and develop adaptive re-use plans for properties or buildings that are contaminated, under-utilized or vacant being located outside of the Downtown Community Improvement Plan area but within the designated BIA and CBD Financial Incentive Program Area as shown in Schedule "C".

The Redevelopment Grant is intended to focus on enticing significant “City Changing Projects valuing construction cost of over \$10,000,000” at the time of Building Permit application. The City Changing Projects will also have to contribute to the revitalization and redevelopment of vacant and under-utilized properties that would otherwise not occur.

Part of the rationale for providing the Redevelopment Grant is to off-set some of the costs involved with redeveloping property which relate to undertaking environmental remediation, demolition, infrastructure upgrading, building restoration, as well as assisting with facilitating structured parking with a public component, and or structured parking being integrated into new buildings. The final outcomes of the City Changing Projects will also have to represent an adaptive re-use of vacant and/or under-utilized properties and buildings.

The overall Redevelopment Grant is calculated on the value of the construction of a given City Changing Project at the time of building permit application. The calculation will be based on a contribution formula.

Payments of the Redevelopment Grant for City Changing Projects valued at over \$10 million dollars in building permits with the City, should be paid on an annual basis for up to three (3) years. Disbursements of the Redevelopment Grant shall only become payable to the applicants once the City Changing Project development is complete. A Project will only be considered complete after the Building Inspection Department of the City of Moncton provides confirmation that the building inspection process, as established and determined by the City for the City Changing Project development, is completed. An application must be made to the City in advance of a building permit application in order to be eligible to receive a Redevelopment Grant. Only costs incurred after an application is approved by the City can be included in the Redevelopment Grant payment.

1.2 Municipal Infrastructure Grant

The three (3) year Redevelopment Grant may be extended by an additional two (2) years where the City Changing Project development involves new municipal infrastructure being provided and installed.

To qualify for the Municipal Infrastructure Grant, the following conditions must be met by the applicant:

- 1) The demonstrated need to install municipal infrastructure to enable the proposed City Changing Project redevelopment;
- 2) The municipal infrastructure shall consist of any one or combination of the following:
 - a) Public streets (including curbing) or roadway extensions;

- b) Public sidewalks or trails; and
 - c) Municipal water, sanitary and/or storm connections.
- 3) The applicant must demonstrate that at least \$500,000 of capital has been invested in municipal infrastructure after the date of the grant application;
 - 4) The construction work to be undertaken toward the installation of municipal infrastructure and the construction work completed in the installation of municipal infrastructure must be evaluated and approved by the City. Receipt of payment issued to the applicant for the construction work in the installation of municipal infrastructure must be provided to the City before any payment of the Municipal Infrastructure Grant is issued to the applicant;
 - 5) The construction work undertaken must be in the BIA or the CBD;
 - 6) The construction work must be completed on or for a commercial subdivision or development parcel which also results in a building permit application and completed project valued at \$10 million or more;
 - 7) Only one (1) proposed City Changing Project per development may apply for the extended two (2) year Municipal Infrastructure Grant, unless the development contains multiple qualifying City Changing Projects on adjacent parcels of land, in which case each City Changing Project would qualify for such Grant; and
 - 8) The proposed City Changing Project will commence no longer than two (2) years following City Council's approval of the Municipal Infrastructure Grant or the Municipal Infrastructure Grant will be cancelled. The two (2) year period may be extended by City Council at its absolute discretion.

1.3 Building Permit and Planning Fee Equivalent Grant

The Building Permit and Planning Fee Equivalent Grant offers grants to eligible applicants for City building permit and planning fees related to developments on vacant properties.

For the purpose of this Grant, vacant land means a lot or a portion of a lot not occupied by a main building and that can accommodate a new construction. A lot containing an existing vacant main building will be considered vacant if the building is demolished. However, no Building Permit and Planning Fee Equivalent Grant will be applied to the demolition cost.

The Building Permit and Planning Fee Equivalent Grant provides assistance to eligible applicants by reducing property improvement costs in that the Grant payment is to be equal to the cost of development fees, being for development and building permits, Municipal Plan and Zoning By-

law amendments, variances, and other Planning Advisory Committee (PAC) applications. This Grant is intended to accelerate development activity.

An application must be made to the City in order to be eligible for a Building Permit and Planning Fee Equivalent Grant. All grants will be equal to 100% of the development fees paid by the applicant. Grants will be provided upon successful completion of the approved work, to the satisfaction of the City.

2. PROGRAM CRITERIA

General Conditions

- 2.1 The property must be located within the designated City of Moncton BIA and CBD Financial Incentive Program Area as shown in Schedule "C".
- 2.2 The property owner is registered as a Corporation under the Business Corporation Act.
- 2.3 The subject property shall not be subject to any outstanding City work orders.
- 2.4 The subject property shall not be in a position of tax or BIA levy arrears. All taxes and BIA levies owing shall be paid prior to the disbursement of any payments in relation to the Program.
- 2.5 Eligible Projects under the Program must represent one of following types of projects:
 - a) Infill and redevelopment of large surface parking lot, vacant under-utilized site and brownfield area;
 - b) Redevelopment of property which involves the demolition of commercial, residential or industrial building with the exception of designated heritage building;
 - c) Mixed Use building with integrated underground or structured parking; and
 - d) Public Parking Structure.
- 2.6 Development must significantly improve or enhance the value of the property.
- 2.7 Any property owner wishing to be considered for a Grant under the Financial Incentive Program must complete and submit an Application Form to the City prior to the commencement of any works and prior to application for building permit. Applications will not be applied retroactively to previously approved development projects.

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- 2.8 For approved projects, the City will set aside the approved contributions through the City's Corporate Budget Process.
 - 2.9 Applicants must pay for any applicable development fees and infrastructure charges, as determined by the City, in their entirety prior to undertaking the work for which a satisfactory grant application has been received and approved.

BIA and CBD Redevelopment Grant

- 2.10 Within the BIA and CBD Redevelopment Grant, the maximum grant payment to be disbursed under the Program each year cannot exceed the annual incremental revenue generated from the applicant's property in that fiscal year.
- 2.11 Before any disbursement is made under the Redevelopment Grant to the applicant, for a property for which a satisfactory grant application has been received and approved, the City Changing Project must be completed. A Project will only be considered completed after the Building Inspection Department of the City of Moncton provides confirmation that the building inspection process, as established and determined by the City for the City Changing Project development, is completed. In the event that an applicant benefits from a Municipal Infrastructure Grant, all municipal infrastructure must be evaluated and approved by the City prior to being installed (see 1.2 above). All Property taxes and BIA levies are required to have been paid as billed each year. The property shall be in compliance with all other requirements and conditions of the Program.
- 2.12 Actual costs for any or all of the eligible items may be subject to an independent audit at the expense of the applicant (*i.e. where the City requires an audit, criteria will be established*). Any major discrepancies between building permit Application information and actual work can result in a reduction in the approved Grant amount up to the disqualification of the Grant in any case where an applicant did not respect the requirements and conditions of the Program.

Building Permit and Planning Fee Equivalent Grant

- 2.13 Any property owner wishing to be considered for a Building Permit and Planning Fee Equivalent Grant must complete and submit an Application Form to the City prior to the commencement of any works.

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- 2.14 A Grant payment for the full amount under the Building Permit and Planning Fee Equivalent Grant will only be disbursed to successful applicants once the approved work is complete (see 2.17). Only fees paid for the following types of applications are eligible:
- a) development permit and building permit;
 - b) rezoning fee for a Municipal Plan and Zoning By-law amendment; and
 - c) variance and other Planning Advisory Committee (PAC) applications.

Other Conditions

- 2.15 The applicant will be required to enter into an Financial Incentive Program Agreement with the City of Moncton which will specify the terms and conditions of the Grant under this Program.
- 2.16 The proposed City Changing Project development will commence no longer than two (2) years following City Council's approval of a Grant under this Program or the Grant will be cancelled. The two (2) year period may be extended by City Council at its absolute discretion.
- 2.17 The Building Permit and Planning Fee Equivalent Grant will only be disbursed to successful applicants once confirmation is provided by the Building Inspection Department of the City of Moncton that the building inspection process, as established and determined by the City for the City Changing Project development, is completed. The first Grant disbursement of the Redevelopment Grant will be made to the applicant any time after the 1st of July of the year following receipt of confirmation that the Building Inspection process is completed. The applicant must also provide proof that municipal taxes and BIA levies have been paid.

3. REDEVELOPMENT GRANT APPLICATION REVIEW AND APPROVAL

- 3.1 The City's Economic Development Department will administer the BIA and CBD Financial Incentive Program. All applications will be evaluated by an Inter-Departmental working group made up of staff from Economic Development, Urban Planning, Building Inspection, Engineering, Legal and Finance Departments. This group will be responsible for providing recommendations for Council's approval based on the Program requirements.

- 3.2 Applications are filed utilizing the BIA and CBD Financial Incentive Program Application Form outlined in Schedule “A”.
- 3.3 Redevelopment Grant payments are evaluated according to Program criteria in Schedule “B”.
- 3.4 Eligible City Changing Projects must be located within the designated BIA or CBD as shown on Schedule “C”. Properties located within the Downtown Community Improvement Area will not be considered under the BIA and CBD Financial Incentive Program. Applicants seeking grants for properties located with the Downtown Community Improvement Area will be directed to apply under the Financial Incentive Program for Downtown Community Improvement Plan Area & Designated Heritage Properties.

Schedule “A”

BIA AND CBD FINANCIAL INCENTIVE PROGRAM APPLICATION FORM

GRANT PROGRAM APPLICATION FORM

SECTION A APPLICATION TYPE

PLEASE CHECK FINANCIAL INCENTIVE GRANT (S) THAT YOU WOULD LIKE TO BE CONSIDERED FOR YOUR DEVELOPMENT PROJECT:

- BIA AND CBD REDEVELOPMENT GRANT
- MUNICIPAL INFRASTRUCTURE GRANT
- BUILDING PERMIT AND PLANNING FEE EQUIVALENT GRANT

SECTION B GENERAL INFORMATION AND INSTRUCTIONS

- 1) An application for a Grant under the BIA and CBD Financial Incentive Program must be submitted to the City of Moncton Economic Development Department prior to the commencement of any works and prior to application for building permit;
- 2) Such application shall include reports, plans, estimates, contracts and other details as may be required to satisfy the City with respect to the eligible costs of the project and with respect to conformity of the project with the Program;
- 3) As a condition of the grant application, the City may require the applicant to submit a Business Plan, said Plan being to the City's satisfaction;
- 4) The property shall be redeveloped resulting in a significant increase in the assessed value of the property within the BIA or CBD Area;
- 5) Eligibility of to the Program is evaluated on a point based system described in Schedule "B";
- 6) Actual costs for any or all of the items may be subject to audit by the City, at the sole cost and expense of the property owner;
- 7) All property owners participating in this Program will be required to enter into Financial Incentive Program Agreement with the City of Moncton that specifies the terms and conditions of the grant ;
- 8) All grant applications and Agreements must be approved by City Council; and



9) If an agent is acting on behalf of the property owner, please ensure the required authorization is completed and executed by the property owner as provided in Section G.

Section C Property Owner and Applicant / Agent Information

Property Owner Information

Name of Registered Property Owner _____

Mailing Address of Property Owner _____

Phone: _____ Fax: _____

Email: _____

Applicant / Agent Information

Name of Agent _____

Mailing Address _____

Phone: _____ Fax: _____

Email: _____



Section E Property Tax Information

Current Property Taxes paid annually \$ _____

Estimated Property Taxes Paid annually after redevelopment \$ _____

Is this property in tax arrears? Yes _____ No _____

If yes, specify value of tax arrears \$ _____



Section F Development Information

Provide a detailed description (building size/type, number of stories, construction materials, etc.) of the proposed development to take place on the site (please attach detailed construction drawings).

Estimated construction value of the proposed development \$ _____

Estimated construction start date (Month/Year) _____

Estimated construction end date (Month/Year) _____

Section G Authorization

I, _____ am the owner of the land that is subject of this application, and I hereby authorize our agent / solicitor _____ to make this application and to act on my behalf in regard to this application.

Dated at the _____, this _____ (day) of _____ (month), _____ (year)

Name of Owner

Signature of Owner

Section H Undertaking

I/WE HEREBY APPLY for a grant under this program.

I/WE HEREBY AGREE to abide by the terms and conditions of the BIA and CBD Financial Incentive Program as specified in this application.

I/WE HEREBY AGREE to enter into a BIA and CBD Financial Incentive Program Agreement with the City of Moncton that specifies the terms and conditions of the grant.

I/WE HEREBY AGREE to abide by the terms and conditions of the BIA and CBD Financial Incentive Program Agreement.

I/WE HEREBY CERTIFY that the information contained in this application is true, correct and complete in every respect and may be verified by the City of Moncton by such inquiry as it deems appropriate, including inspection of the property for which this application is being made.

I/WE HEREBY GRANT PERMISSION to the City of Moncton, or its agents, to inspect my/our property prior to, during, and after environmental remediation, site rehabilitation and project construction.

I/WE HEREBY AGREE that the Program for which application has been made herein is subject to cancellation and/or change at any time by the City in its sole discretion, subject to the terms and conditions specified in the Program. Participants in the Program whose application has been approved and who have entered into the BIA and CBD Financial Incentive Program Agreement with the City, will continue to receive grant payments, subject to their Agreement.

Dated at the _____, this _____ (day) of _____
(month), _____ (year)

Name of Owner or Authorized Agent

Title

Signature of Owner or Authorized Agent

**Schedule “B”
GRANT EVALUATION FORM**

PROGRAM EVALUATION CRITERIA

Projects considered under the Redevelopment Grant must have at least a minimum final building permit value exceeding \$10 million dollars. Projects under the Building Permit and Planning Fee Equivalent Grant must involve projects with building permit values exceeding \$10 million dollars.

The amount of the final Grants are guided by the evaluation system below. The points are used to guide the percentage of the total maximum incentive amount. The system evaluates development proposals to achieve the outlined development features.

All eligible proposals will automatically be granted 50 base points. Additional points will be provided when a proposal includes development features that achieve a range of policy objectives defined in the table below.

Evaluation System based on Development Features	Points (up to)	Earned Points
New Multiple Residential Building		
New Multiple Residential Building	25	
Underground or Structured Parking integrated into Building	25	
New Mixed Use Development Building		
New Mixed Use Building with Residential and Commercial Uses	25	
Underground or Structured Parking integrated into Building	25	
New Commercial Building		
New Commercial Building	25	
Underground or Structured Parking integrated into Building	25	
Public Parking Facilities		
New Public Parking Structure	50	
Environmental Remediation		
Environmental remediation plan entails bringing property into compliance with Residential and or Commercial Standards	15	
Public Realm		
Building Design contributes to visually improving view of streetscape	15	
Transit Oriented Development		
Close proximity to an existing transit stop, increased density on a transit route, etc.	15	
Sustainable Development		
New Building incorporates sustainable features – LEED Standards, Green Globes, green roof, solar, Geothermal Energy, Energy Star ratings, etc.	10	
TOTAL		

REDEVELOPMENT GRANT FORMULA

Grants are paid out on a declining scale over the term of the grant.

Grant Payout Formula:

(Residential Building Permit Value x Grant Rate Residential) + (Non-Residential Building Permit value x Grant Rate Non-Residential)

3-Year Grant:

Grant Rate	Year 1	Year 2	Year 3
Residential	0.012	0.011	0.010
Non-Residential	0.018	0.016	0.014

Grant Calculation	
Value of Construction (at time of building permit application)	\$10,000,000
Municipal Tax Portion Residential	x 0.015472
Municipal Tax Portion Non-Residential	x 0.023208
Grant Duration in Years	3
Incremental City Taxes	\$154,333

Year	Grant Amount	New Tax Revenue to City
Year 1	\$126,000	\$28,333
Year 2	\$115,000	\$39,333
Year 3	\$104,000	\$50,333
TOTAL	\$345,000	\$118,000

*Assuming project is 90% Residential, 10% Non-Residential

MUNICIPAL INFRASTRUCTURE GRANT

Refer to section 1.2.

Years 4 and 5 are calculated using the same formula as Years 1 to 3.

Grant Payout Formula:

(Residential Building Permit Value x Grant Rate Residential) + (Non-Residential Building Permit value x Grant Rate Non-Residential)

5-Year Grant:

Grant Rate	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	0.012	0.011	0.010	0.008	0.007
Non-Residential	0.018	0.016	0.014	0.013	0.011

Grant Calculation

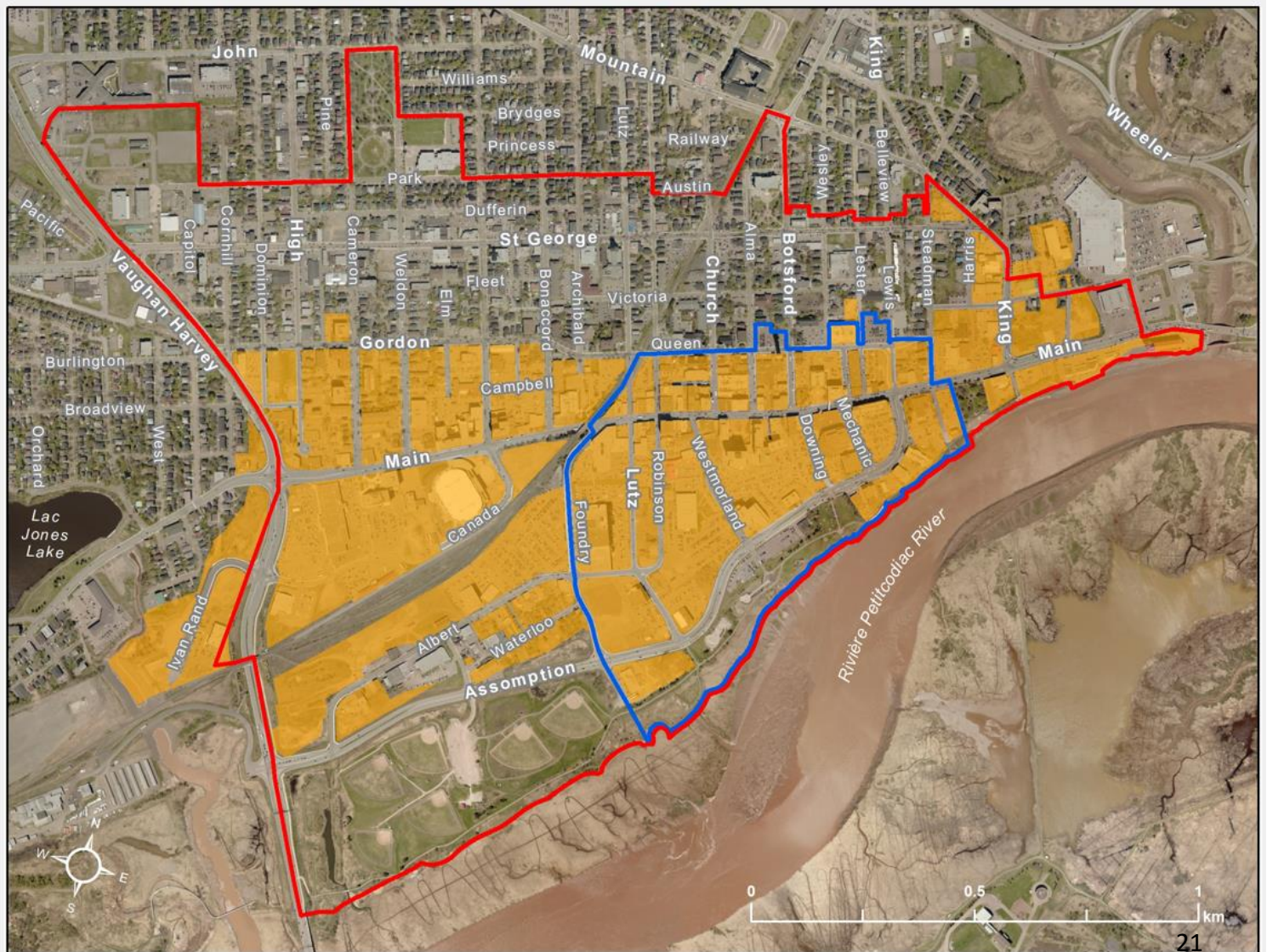
Value of Construction (at time of building permit application)	\$10,000,000
Municipal Tax Portion Residential	x 0.015472
Municipal Tax Portion Non-Residential	x 0.023208
Grant Duration in Years	5
Incremental City Taxes	\$154,333

Year	Grant Amount	New Tax Revenue to City
Year 1	\$126,000	\$28,333
Year 2	\$115,000	\$39,333
Year 3	\$104,000	\$50,333
Year 4	\$85,000	\$69,333
Year 5	\$74,000	\$80,333
TOTAL	\$504,000	\$267,666

*Assuming project is 90% Residential, 10% Non-Residential

Schedule "C"

ELIGIBLE ZONES



- Downtown Business Improvement Area
- Central Business District Zone
- Downtown Community Improvement Plan Area



Contact Information

Kevin Silliker, Director
Economic Development Department
City of Moncton
655 rue Main Street
Moncton NB E1C 1E8
Email: kevin.silliker@moncton.ca
Tel: 506-853-3532
Fax: 506-389-5904
www.moncton.ca