



**Financial Incentive Program
for
Downtown Community Improvement Plan
Area & Designated Heritage Properties**

Revised: March 21, 2022



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DOWNTOWN COMMUNITY IMPROVEMENT PLAN & DESIGNATED HERITAGE PROPERTIES FINANCIAL INCENTIVE PROGRAM

1. PROGRAM DESCRIPTION OF FINANCIAL INCENTIVE PROGRAM GRANTS

The Financial Incentive Program grants will focus on assisting with the revitalization of vacant and under-utilized properties and buildings within a designated Downtown Community Improvement Plan area. The Financial Incentive Programs will also be available to assist with Heritage Preservation for heritage properties designated under the City's Heritage By-law.

The Financial Incentive Program grants consist of a Redevelopment Grant Program and a Building Permit and Planning Fee Equivalent Grant Program. It is anticipated that these grants 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 these programs are outlined in the following pages.

1.1 Redevelopment Grant Program

The Redevelopment Grant Program is intended to provide a financial incentive to property owners who rehabilitate and develop adaptive re-use plans for lands and/or buildings that are contaminated, under-utilized or vacant within the designated Downtown Community Improvement Plan Area as shown in Schedule "C". The program will also apply to assisting with adaptive re-use and refurbishment of important heritage properties within the City of Moncton.

These grants are intended to encourage development activity, which would not have otherwise occurred and contribute to the development of the municipality. By putting these lands 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 Redevelopment Grant program will serve as a catalyst for increased development activities in the surrounding downtown, which in turn will attract further businesses, residents, and employment.

Grants under the Redevelopment Program will go towards off-setting costs involved with Environmental Remediation; Demolition; LEED/Green Globes Building Components; Site Preparation and Infrastructure Upgrading; Restoration of Existing Buildings; Residential Intensification; Urban Design, Landscaping, and Building Façade Enhancement; and structured

parking integrated into new buildings. The project's final outcome must also represent an adaptive re-use of vacant and/or under-utilized properties and buildings.

The overall grant is calculated based on the value of the construction project at time of building permit application and a Downtown Capital Improvement Fund contribution formula and may be paid on annual basis for up to 5 years for building construction projects valued under \$10 million dollars and up to 10 years for projects valued over \$10 million dollars, commencing once the redevelopment is complete. An application must be made to the City in advance of the development in order to be eligible for a Redevelopment Grant. Only costs incurred after an application is approved by the City can be included in the grant payment.

1.2 Building Permit and Planning Fee Equivalent Grant Program

The Building Permit and Planning Fee Equivalent Grant Program offers grants to eligible applicants for City building permit and planning fees related to the development or redevelopment of vacant properties¹ within the designated Downtown Community Improvement Plan Area as shown in Schedule "C", and or within designated Heritage Properties that comply with the required program criteria outlined in section 2.

This program provides assistance to eligible applicants by reducing property improvement costs through the provision of grants equal to the cost of fees for Development and Building Permits, Municipal Plan and Zoning By-law amendments, variances, and other Planning Advisory Committee (PAC) applications, and Demolition permits. This grant is intended to encourage development activity, which would not have otherwise occurred.

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.

¹ For the purpose of this grant program, vacant land means a lot or a portion of a lot not occupied by a main building and can accommodate a new construction or significant addition. For the purpose of grant stacking, a lot containing an existing main building will be considered vacant if the building is demolished. However, no grant will be applied to the demolition cost.

2. PROGRAM CRITERIA

General Conditions

- 2.1 The property must be located within the designated City of Moncton Downtown Community Improvement Plan Area as shown in Schedule “C”, and or be designated as a Heritage property under the City of Moncton Heritage Preservation By-law.
- 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 arrears or downtown Business Improvement Area (BIA) contribution. All taxes owing shall be paid prior to the disbursement of any fee related grant.
- 2.5 The development proposal respects any existing Heritage designation plans for the existing property and adjacent properties.
- 2.6 Eligible Financial Incentive Program Grant Projects must represent one of following types of projects:
 - a) Infill and redevelopment of large surface parking lots, vacant under-utilized sites, and buildings;
 - b) Redevelopment of properties which involves the demolition of commercial, residential or industrial buildings with the exception of designated heritage buildings;
 - c) Residential Conversion and Intensification of upper stories (eg., 2nd story and above) of under-utilized Commercial and Office Buildings;
 - d) Restoration of older abandoned buildings; and
 - e) Downtown parking structure
- 2.7 Development must significantly improve or enhance the value of the property.
- 2.8 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.
- 2.9 A portion of the increased property assessment after redevelopment and or Building Permit and Planning application fees shall be directed to the Downtown Capital

Improvement Fund for the Community Improvement Plan Area in order to fund the grant program;

Redevelopment Grant Program

- 2.10 Within the Redevelopment Grant Program, the maximum grant paid out by the program each year for a specific project cannot exceed the annual contribution made to the Downtown Capital Improvement Fund for that project.
- 2.11 Before any grant is provided to the applicant for a property for which a satisfactory grant application has been received and approved, the project has to be completed and property taxes are required to have been paid as billed each year and, the property shall be in compliance with the program's requirements and conditions.
- 2.12 Actual costs for any or all of the eligible items may be subject to independent audit at the expense of the property owner (*i.e. where the City requires an audit, criteria will be established*).

Building Permit and Planning Fee Equivalent Grant Program

- 2.13 Any property owner wishing to be considered for a grant under the Building Permit and Planning Fee Equivalent Grant Program must complete and submit an Application Form to the City prior to the commencement of any works.
- 2.14 Applicants must pay for development fees in entirety prior to undertaking the work for which a satisfactory grant application has been received and approved. A grant for the full amount of the building permit fee will be provided to the applicant once the approved work is complete, to the City's satisfaction. 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;
 - c) Variance and other Planning Advisory Committee (PAC) Applications; and/or
 - d) Demolition Permit.

Other Conditions

- 2.15 The applicant will be required to enter into an Agreement with the City of Moncton that sets out the conditions of the annual grant.
- 2.16 The proposed development will commence no longer than 2 years following City Council's approval of the grant or the grant will be cancelled. The 2 year period may be extended by City Council at its absolute discretion.
- 2.17 The first grant payment will be made to the developer anytime after the 1st of July of the following year of the final inspection, when the owner provides proof that his municipal taxes have been paid.

3. GRANT APPLICATION REVIEW AND APPROVAL

- 3.1 The City's Economic Development Department will administer the Downtown Community Improvement Plan 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 specified in the Downtown Community Improvement Plan.
- 3.2 Applications are filed utilizing the Financial Program Grant Application Form outlined in Schedule "A".
- 3.3 Redevelopment Grant Program payments under the Downtown Capital Improvement Fund Program are evaluated according to program criteria in Schedule "B".
- 3.4 Eligible Funding Projects must be located within the designated Downtown Community Improvement Plan Area as shown on Schedule "C".



**Schedule “A”
FINANCIAL INCENTIVE PROGRAM
GRANT APPLICATION FORM**

FINANCIAL INCENTIVE PROGRAM GRANT APPLICATION FORM

SECTION A APPLICATION TYPE

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

- REDEVELOPMENT GRANT
- BUILDING PERMIT AND PLANNING FEE EQUIVALENT GRANT

SECTION B GENERAL INFORMATION AND INSTRUCTIONS

- 1) An application for the Financial Incentive Program Grant 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 conformity of the project with the Downtown Community Improvement Plan;
- 3) As a condition of the grant application, the City may require the applicant to submit a Business Plan, with said Plan to the City's satisfaction;
- 4) The property shall be redeveloped such that the amount of work undertaken result in a significant increase in the assessed value of the property within the designated Downtown Community Improvement Plan area;
- 6) Eligibility of the grant is evaluated on a point based system described in Schedule "B"
- 7) Actual costs for any or all of the items may be subject to audit by the City, at the expense of the property owner;
- 8) All property owners participating in this program will be required to enter into an agreement with the City which will specify the terms and conditions of the grant; and
- 9) All grant applications and agreements must be approved by City Council.



10) 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 D Property Information

Civic Address(es) of Property for which this Application is being submitted

Property Identification Number(s) (PID) _____

Legal Description of Property (Lot and Plan Numbers) _____

Existing Use _____

Are there Existing Buildings on Site? Yes _____ (if yes provide size below)

No _____

Building 1 _____ sq. ft.

Building 2 _____ sq. ft.

(Please list any additional buildings on separate sheet)

Is the property protected by a Heritage Designation? Yes _____ No _____

Are there any outstanding work orders on this property? Yes _____ No _____



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 Sworn Declarations

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

I/WE HEREBY AGREE to abide by the terms and conditions of the Downtown Financial Incentive Program Grant as specified in this application within the City of Moncton Downtown Community Improvement Plan Area.

I/WE HEREBY AGREE to enter into a Downtown 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 Downtown 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, 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 Downtown Financial Incentive Program Agreement with the City, will continue to receive grant payments, subject to their Grant 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**

REDEVELOPMENT GRANT PROPOSAL EVALUATION

Under the Redevelopment Grant, a maximum incentive amount will be determined by the City. The amount of the final grant is 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.

Development Feature	Points (up to)	Earned Points
Housing		
Residential units (two to four units)	5	
Residential units (five to twelve units)	20	
Residential units (greater than twelve units)	30	
Mixed Use Development		
Live/Work Units	5	
Mixed Use	10	
Mixed Use (with retail space at grade)	15	
Parking Facilities		
Structured Parking	10	
Underground Parking	10	
Alternative Transportation parking (i.e. bike locker, electric car parking)	5	

Adaptive Re-Use of Building

e.g. A building formerly used for industrial or commercial uses, has been vacant for at least one year and involves the conversion or repurposing to a different category of use.	20	
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Contributes to Public Realm

e.g. Streetscape improvements (trees), publicly accessible space on private property.	10	
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Environmental Remediation

To Commercial Standard	15	
To Residential/Park Standard	25	

Transit Oriented Development

e.g. proximity to an existing or proposed transit stop, increased density on a transit route, etc.	10	
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Sustainable Development

LEED Standard (Certified-Silver, Gold, Platinum)	15 (5, 10, 15)	
Green Globes (1-2, 3, 4)	15 (5, 10, 15)	
Renewable Energy Bonus	5	
Other Sustainable Features (e.g. Green Roof, Solar, Geothermal Energy, Energy Star etc.)	10	

Heritage

Restoration of heritage features	5	
Project complements heritage character	5	



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)

5-Year Grant:

Grant Rate	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	0.012	0.011	0.008	0.005	0.003
Non-Residential	0.018	0.016	0.012	0.008	0.004

Grant Calculation

Value of Construction (at time of building permit application)	\$5,000,000
Municipal Tax Portion Residential	x 0.015472
Municipal Tax Portion Non-Residential	x 0.023208
Grant Duration in Years	5
Incremental City Taxes	\$73,105

Year	Grant Amount	New Tax Revenue to City
Year 1	\$63,000	\$10,105
Year 2	\$57,500	\$15,605
Year 3	\$42,000	\$31,105
Year 4	\$26,500	\$46,605
Year 5	\$15,500	\$57,605
TOTAL	\$204,500	\$161,026

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



10-Year Grant:

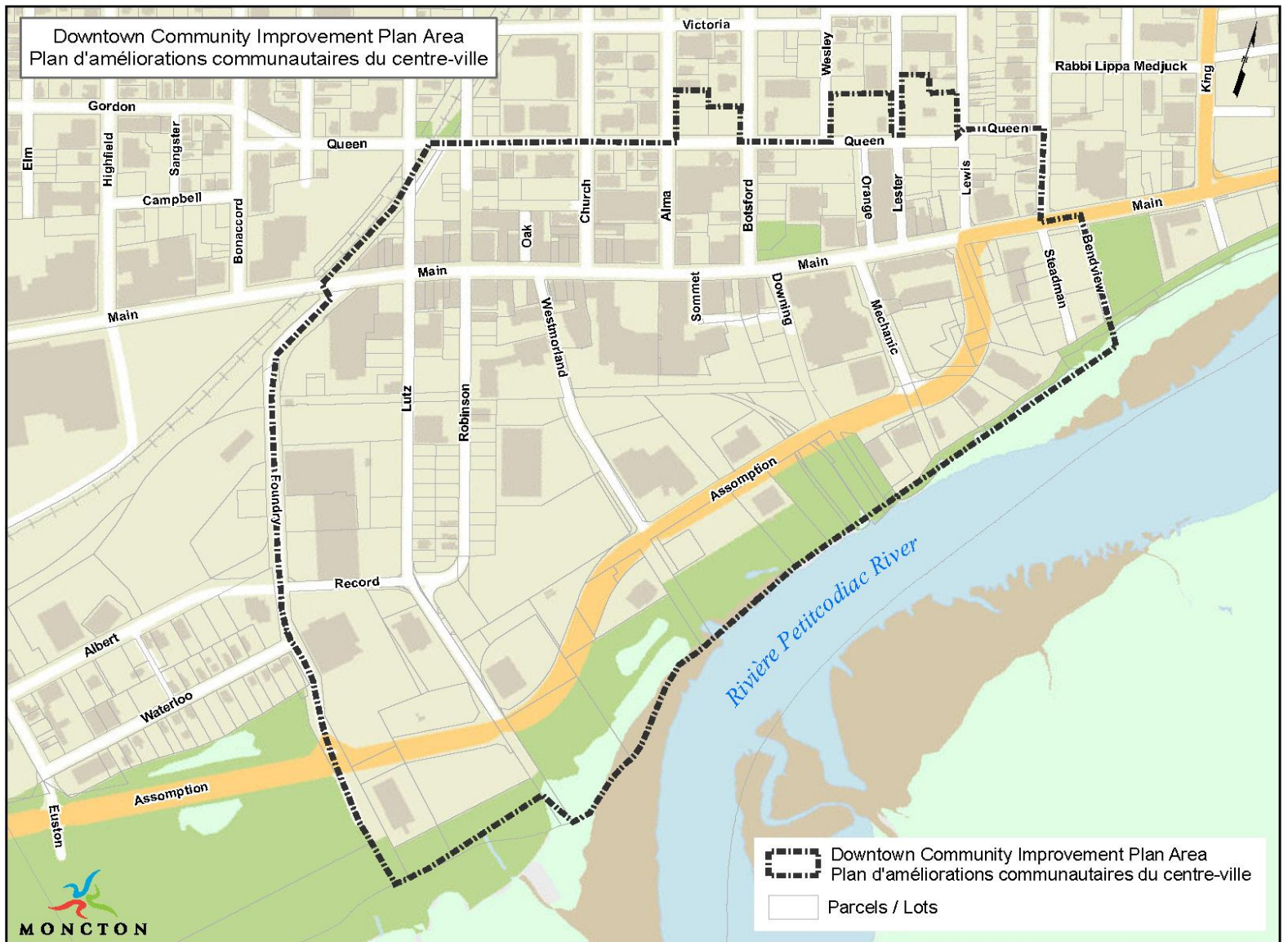
Grant Rate	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	0.012	0.011	0.010	0.008	0.007
Non-Residential	0.018	0.016	0.014	0.013	0.011
Grant Rate	Year 6	Year 7	Year 8	Year 9	Year 10
Residential	0.006	0.005	0.004	0.002	0.001
Non-Residential	0.009	0.007	0.005	0.004	0.002

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	10
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
Year 6	\$63,000	\$91,333
Year 7	\$52,000	\$102,333
Year 8	\$41,000	\$113,333
Year 9	\$22,000	\$132,333
Year 10	\$11,000	\$143,333
TOTAL	\$693,000	\$850,332

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

Schedule "C" Downtown Community Improvement Plan Area





Contact Information

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