

PREPARED FOR



The City of
Welland

Brownfield Community Improvement Plan



April 2007

prepared by



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1.0 INTRODUCTION

1.1 Defining Brownfields in Welland

In their 2003 National Brownfield Redevelopment Strategy for Canada¹, the National Roundtable on Environment and Economy (NRTEE) defined brownfields as “abandoned, vacant, derelict or underutilized commercial and industrial properties where past actions have resulted in actual or perceived contamination; brownfields differ from other contaminated sites in that they hold active potential for redevelopment”.

For the purposes of this Community Improvement Plan, “brownfields” are defined more strictly as abandoned, vacant, derelict, idled or underutilized properties with an active potential for redevelopment, where redevelopment is complicated by environmental contamination. More specifically, for the purposes of making application for any of the incentive programs contained in this CIP (except for the Environmental Site Assessment Grant Program), an eligible property is a property where a Phase II ESA has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required Ministry of Environment standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry for the proposed use of the property.

The terms “brownfield redevelopment” and “brownfield development” are used interchangeably in this document to mean the environmental remediation, rehabilitation and development of brownfields.

1.2 Rationale for Brownfield Redevelopment in Welland

Brownfield sites represent an environmental, economic and social concern for Welland. From an economic perspective, brownfields can reduce local employment opportunities and property tax revenues, as well as limiting opportunity and economic development. Brownfields can also lower surrounding property values.

From the environmental perspective, contamination of soil and groundwater may be a concern for human health and safety, as well as environmental quality. Underused brownfield sites in the serviced urban area represent a lost opportunity to limit development onto greenfield sites at the urban fringe which is likely to have significant economic and environmental costs and jeopardize agricultural lands.

From a social perspective, brownfield sites can attract vandals, open dumping and other illegal activity that can lead to urban blight, contributing to neighbourhood and employment area deterioration and negatively impacting the quality of life in a community.

Numerous Canadian and U.S. studies have highlighted the benefits of brownfield development at all geographic levels (national, regional, local). However, most of the benefits of brownfield development tend to accrue at the local level because all development, be it brownfield or greenfield,

¹ National Roundtable on the Environment and the Economy (NRTEE). 2003.

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is inherently local. Therefore, the rationale for addressing the brownfield issue in Welland can be found in the significant economic, environmental and social benefits that would accrue in the City of Welland.

1.2.1 Economic Benefits

A study of brownfield development in Canada found that every \$1 spent in the Canadian economy on brownfield development generates approximately \$3.80 in total economic output in all industries in the Canadian economy². Numerous other U.S. and Canadian studies have found that brownfield development can increase neighbourhood property values³. Experience in Hamilton and other municipalities that have had brownfield development programs in place for some time suggests that brownfield development projects can result in a significant increase in property tax revenues to local and provincial governments.

1.2.2 Environmental Benefits

The environmental restoration and redevelopment of brownfield sites will serve to improve the environmental quality of soil and groundwater in Welland. The positive impact of brownfield development on the environment is not limited to individual sites. Environmental restoration of individual sites can have a cumulative positive impact on the environment, including the protection of groundwater resources, wetlands and wildlife habitat⁴.

A study of brownfield versus greenfield development examined 48 brownfield projects in six cities across the United States. This study found that every acre of brownfield land developed would have required 4.5 acres of greenfield land⁵. This demonstrates the potential of brownfield development to reduce the amount of greenfield land consumed, thereby reducing sprawl and its associated negative environmental impacts, including air and water pollution and the loss of prime agricultural land. By using existing infrastructure, brownfield development can also reduce the costs of urban sprawl, including the costs of providing hard and soft services to greenfield areas.

Brownfield projects, be they employment or residential uses, can also reduce the distance between the location of employment areas and residential areas, and therefore transportation costs. For example, a recent study found that every hectare of brownfield land redeveloped for residential purposes can save as much as \$66,000 a year in transportation costs relative to equivalent greenfield development⁶. Therefore, brownfield development can have the effect of reducing commuting needs, thereby reducing traffic congestion and air pollution.

² Regional Analytics. 2002.

³ See for example, Environment Canada. 1998.

⁴ Regional Analytics. 2002.

⁵ Deason et.al. 2001.

⁶ Hara Associates. 2003.

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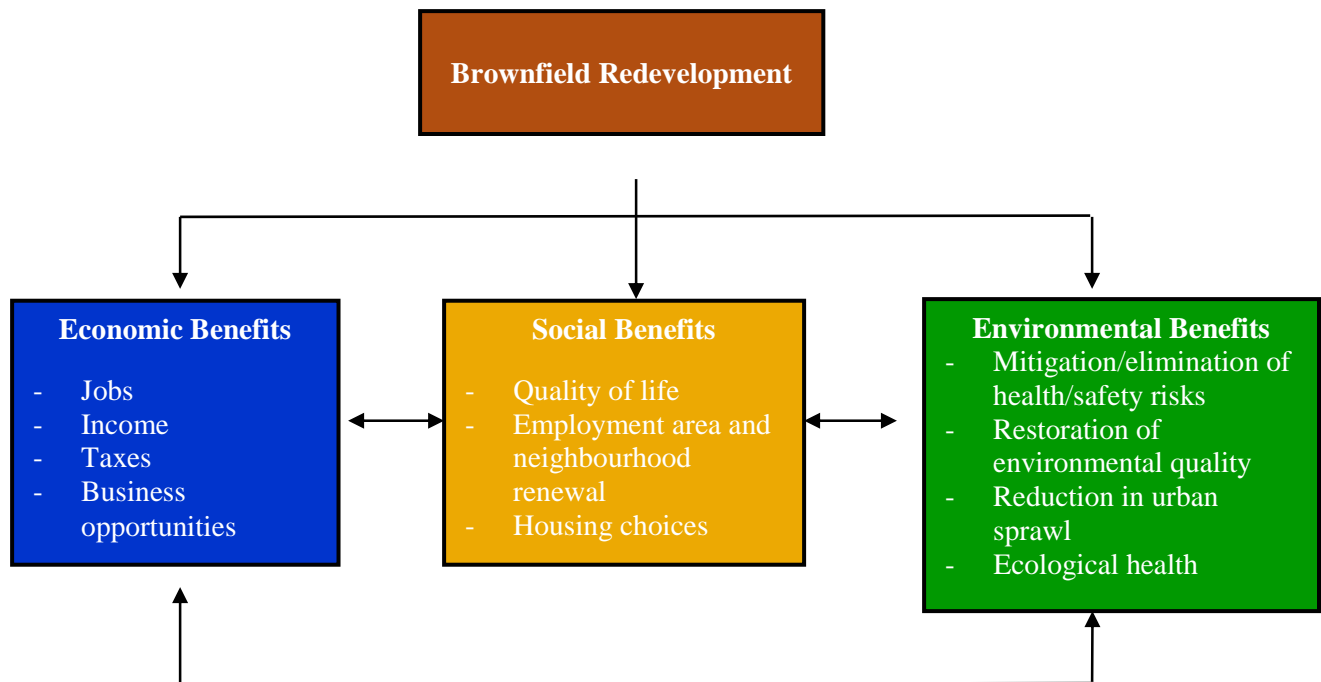
1.2.3 Social Benefits

While the economic and environmental benefits of brownfield development are more obvious, brownfield development can also generate significant social benefits at the local level. Based on an analysis of a dozen brownfield projects across Canada, the NRTEE concluded that brownfield development can be an engine for urban renewal⁷. Case studies reviewed by the NRTEE showed that this renewal can take the form of:

- neighbourhood, employment area and downtown revitalization;
- improved aesthetic quality of the urban environment;
- provision of affordable housing opportunities;
- creation of recreational and public open spaces;
- improved safety and security; and,
- an increased sense of community participation and civic pride.

Figure 1 below summarizes the benefits of brownfield development and the interrelationship between these benefits. For example, the economic benefits resulting from brownfield development, such as increased incomes and property tax revenues can contribute to social benefits such as neighbourhood stability and quality of life. Therefore, financial incentive programs that result in an increase in brownfield development will translate into economic, environmental and social benefits.

Figure 1 Benefits of Brownfield Redevelopment



Source: Regional Analytics, 2002, Figure 2, p. 7.

⁷ National Roundtable on the Environment and the Economy, 2003.

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1.2.4 Smart Growth

The rationale for promoting the redevelopment of brownfields in Welland is further supported by the Region of Niagara's Smart Growth initiative. As part of its Smarter Niagara Incentive Programs, in April of 2003, the Region approved a series of brownfield financial incentive programs including:

- i) An Environmental Assessment Grant Program to assist with the costs of conducting environmental studies;
- ii) A tax-increment based grant program to provide grants to help offset the costs of environmental remediation; and,
- iii) A Municipal Brownfield Leadership Program to help fund public-private partnerships to clean up brownfield sites, as well as marketing and educational programs.

In April of 2003, the Region also finalized its Development Charge Waiver/Exemption Program, which includes a minimum 75% waiver of development charges on brownfield sites, with up to a 100% waiver for projects that incorporate smart growth principles. The Region has been working with local municipalities in Niagara to promote brownfield development. By adopting a Brownfield Redevelopment CIP, the City of Welland will be able to promote brownfield redevelopment while doing its part to promote Smart Growth in the Region of Niagara.

Many of the prime vacant and underutilized brownfield sites in Welland are in close proximity to the Welland Recreational Waterway. Redevelopment of these sites for residential, commercial and other uses represents an excellent economic opportunity for the City of Welland to significantly increase the property tax revenues generated by these properties without incurring the significant public infrastructure costs typically associated with greenfield development. Furthermore, redevelopment of these brownfield sites will remove brownfield "eyesores" from a number of neighbourhoods and help to promote neighbourhood stability and further neighbourhood revitalization.

1.3 Purpose of the Brownfield CIP

The purpose of this Brownfield Community Improvement Plan (CIP) is to provide a framework containing a package of municipal incentive programs, strategies and actions that will promote brownfield remediation, rehabilitation and redevelopment in the City of Welland. This CIP was developed based on a thorough review of:

- a) brownfield related legislation and regulations;
- b) background and policy information;
- c) brownfield redevelopment program best practices in other municipalities;
- d) input obtained from interviews with key local stakeholders;
- e) input from two public meetings; and,
- f) potential brownfield sites in the City of Welland.

Based on the above analyses, three background reports were produced. An Interim Report was published in August of 2006. This report contains the results of items a) – c) above and the first public meeting. A Development Opportunities Summary Report was produced in September of 2006 and contains the results of item f) above. A General Brownfield Strategy was published as a companion document to this CIP in April of 2007 and contains the results of items d) above and the second public meeting.

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1.4 Goals of the Brownfield CIP

The goals of this CIP are consistent with Provincial policy and the Smart Growth policies of the Region of Niagara. This Plan also supports and promotes the goals and objectives contained in the Community Improvement policies of the City's Official Plan. The main goal of this CIP is to promote the remediation, rehabilitation, adaptive re-use, redevelopment and overall improvement of brownfield sites in Welland.

Other goals of this CIP for the City of Welland include:

- a) Improve the physical and visual quality of brownfield sites;
- b) Improve environmental health and public safety;
- c) Provide opportunities for housing and other uses in close proximity to Downtown Welland and the Welland Recreational Waterway;
- d) Promote Smart Growth, including the reduction of urban sprawl and its related costs, and energy efficiency through the construction of buildings that meet Leadership in Energy and Environmental Design (LEED) standards;
- e) Retain and increase employment opportunities;
- f) Increase tax assessment and property tax revenues for the City of Welland and the Province of Ontario;
- g) Increase community awareness of the economic, environmental and social benefits of brownfield redevelopment; and,
- h) Utilize public sector investment to leverage significant private sector investment in brownfield remediation, rehabilitation, adaptive re-use, and redevelopment.

1.5 Glossary of Terms

The following defines terms used in this CIP.

- “Applicant”:
- Unless otherwise specified, is a registered owner, assessed owner or tenant of lands and buildings within the community improvement project area, and any person to whom a registered owner, assessed owner or tenant of lands and buildings within the community improvement project area has assigned the right to receive a grant or loan.
- “Brownfield”:
- An abandoned, vacant, derelict, idled or underutilized property with an active potential for redevelopment, where redevelopment is complicated by environmental contamination.
- “City”:
- The City of Welland.
- “Community Improvement”:
- Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the *Planning Act*, and means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public,

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recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary. Without limiting the generality of this definition, for greater certainty, it includes the provision of affordable housing.

“Community Improvement Plan”: Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the *Planning Act* and means a plan suitable for adoption as a community improvement plan for the community improvement project area and the plan may be adopted and come into effect in accordance with subsections 28(5) and 28(5.1) of the *Planning Act*.

“Community Improvement Project Area”: Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the *Planning Act* and 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 reasons.

“Eligible property”: Unless otherwise specified, for the purposes of making application for any of the incentive programs contained in this CIP (except for the Environmental Site Assessment Grant Program), an eligible property is a property (including land and buildings) that is within the Community Improvement Project Area as defined in this Plan where a Phase II ESA has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required Ministry of Environment standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry for the proposed use of the property. For the purposes of making application for the Environmental Site Assessment Grant Program, an eligible property is a property (including land and buildings) that is within the Community Improvement Project Area.

“Qualified person”: As defined by Section 168.1 of the *Environmental Protection Act* and Ontario Regulation 153/04.

1.6 Plan Content

Section 2.0 of this CIP outlines the provincial legislative authority for the preparation of this CIP and the programs contained herein.

Section 3.0 outlines the provincial, regional and city policy framework that guided preparation of this CIP.

Section 4.0 presents the Critical Needs Analysis of key impediments and opportunities for brownfield redevelopment in Welland.

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Section 5.0 presents the community improvement project area.

Section 6.0 outlines the CIP incentive programs to be implemented by the City of Welland to promote brownfield redevelopment.

Section 7.0 describes the Brownfields Development Charge Exemption Program that is to be implemented through an amendment to the Development Charges By-law.

Section 8.0 outlines a Municipal Leadership Strategy including municipal strategies and actions to promote brownfield redevelopment.

Section 9.0 outlines a Marketing Strategy designed to increase the effectiveness of the CIP by having the City actively promote the CIP programs and brownfield redevelopment opportunities.

Finally, Section 10.0 contains a Monitoring Program to monitor the results of the incentive programs and Municipal Leadership Strategy.

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2.0 LEGISLATIVE AUTHORITY

2.1 Section 106 – Municipal Act, 2001

Section 106(1) and (2) of the *Municipal Act, 2001* prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- a) giving or lending money or municipal property;
- b) guaranteeing borrowing;
- c) leasing or selling any municipal property at below fair market value; and
- d) giving a total or partial exemption from any levy, charge or fee.

Section 106(3) of the *Municipal Act, 2001* provides an exception to this bonusing rule for municipalities exercising powers under the provisions of Section 28(6), (7) or (7.2) of the *Planning Act* or Section 365.1 of the *Municipal Act, 2001*.

2.2 Section 28 – Planning Act

Section 28 of the *Planning Act* allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a “community improvement project area” and prepare and adopt a community improvement plan for the community improvement project area. Once the community improvement plan has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the *Planning Act* or Section 365.1 of the *Municipal Act, 2001* in order that the exception provided for in Section 106(3) of the *Municipal Act, 2001* will apply.

According to Section 28(1) of the *Planning Act*, a “community improvement project area” is defined as “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”.

Section 28(1) of the *Planning Act* defines “community improvement” as “the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable, or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary”.

Once a CIP has come into effect, the municipality may:

- i) acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3) of the *Planning Act*);
- ii) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6));

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- iii) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (Section 28(6)); and
- iv) make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of land and buildings within the community improvement project area, and to 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 any part of the eligible costs of the community improvement plan (Section 28(7)).

Section 28(7.1) of the *Planning Act* specifies that the eligible costs of a community improvement plan for the purposes of Subsection 28(7) may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Section 28(7.3) of the *Planning Act* specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28(7) and (7.2) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act, 2001* in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings. The incentive programs contained in Section 6.0 of this Plan contain safeguards to ensure that this legislative requirement is met.

2.3 Section 365.1 – Municipal Act, 2001

Section 365.1(2) and (3) of the *Municipal Act, 2001* allows municipalities to pass a by-law providing tax assistance to an eligible property in the form of a deferral or cancellation of part or all of the taxes levied on that property for municipal and education purposes during the rehabilitation period and the development period of the property, both as defined in Section 365.1 (1) of the *Municipal Act, 2001*. Section 365.1 of the *Municipal Act, 2001* operates within the framework of Section 28 of the *Planning Act*. A municipality with an approved community improvement plan in place that contains provisions specifying tax assistance will be permitted to provide said tax assistance for municipal purposes. Municipalities may also apply to the Minister of Finance to provide matching education property tax assistance through the Brownfields Financial Tax Incentive Program (BFTIP).

3.0 POLICY FRAMEWORK

3.1 Provincial Policy Statement (PPS)

The Provincial Policy Statement (PPS) is issued under Section 3 of the *Planning Act* and is intended to guide municipalities as they make planning decisions. The *Planning Act* requires that municipal decisions in respect of the exercise of any authority that affects a planning matter “shall be consistent with” the PPS.

The PPS supports the remediation and redevelopment of brownfield sites. For example, Section 1.7.1 c) of the PPS states that “long-term economic prosperity should be supported by promoting the redevelopment of brownfield sites”. Brownfields are defined in the PPS as “undeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant”.

The PPS also supports Smart Growth through urban growth management. For example, Section 1.1.3.3 of the PPS states “planning authorities shall identify and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs”. Therefore, the PPS supports brownfield redevelopment as a way to achieve the goal of promoting intensification and redevelopment. Other policies in the PPS (Sections 1.1.1 a), 1.1.1 g) and 1.6.2) support the management of growth to achieve efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term. The redevelopment of brownfields has a role to play in this regard.

3.2 Official Plan

The Community Improvement Policies in the City of Welland Official Plan set out the goals and objectives for community improvement. This policy also sets out the selection criteria and priorities for the designation of community improvement project areas and the actions that Council may take to implement the community improvement plans.

The Community Improvement Policies specify that a community improvement project area may be part or all of the area shown on Schedule A to the Official Plan. This area is the Urban Area and the Northwest Planning and Servicing Study Area. The full text of the Community Improvement Policies in the Welland Official Plan and Schedule A are contained in Appendix A.

3.3 Existing Community Improvement Plans

Between 1985 and 1993, the City prepared and adopted a four phase Downtown Community Improvement Plan in its Downtown Community Improvement Project Area. The Downtown CIP was focussed on aesthetic, public area and servicing improvements. Funding from these improvements came from the City and now defunct Provincial programs such as the Commercial Area Improvement Program (CAIP) and the Program for Renewal, Improvement, Development and Economic Revitalization. The Downtown CIP resulted in the upgrading of a number of improvements in the

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Downtown, including redevelopment of the Market Square, the construction of a Transit Building, upgrading of various parking lots, street lighting and municipal services.

While there had been a number of public projects completed in the Downtown Area, none had stimulated private sector redevelopment. As a result, OPA No. 106 was passed in 2002 to introduce land use policies, urban design policies and incentive programs in the Downtown Area. The goals of OPA No. 106 were to reinforce the four phase Downtown CIP, aid in stimulating private sector redevelopment and guide private sector development and redevelopment in the Downtown.

The following incentive programs are available in the Downtown Area:

- a) Property Rehabilitation and Redevelopment Tax-Increment Grant Program;
- b) Development Charge Waiver/Exemption Program;
- c) Refund of Local Planning and Building Fees Program;
- d) Facade Restoration and Improvement Loan Program;
- e) Residential Conversion and Intensification Loan Program;
- f) Parking Requirements Reduction Program.

Sections 6.0 and 7.0 of this Plan contain provisions to prevent double dipping between programs a) – c) above available in the Downtown Area and similar programs available under this Brownfield CIP.

Programs d) – f) above available in the Downtown Area can be used in combination with any of the incentive programs contained in this Brownfield CIP.

3.4 Strategic Plan

The City's Strategic Plan lists brownfield redevelopment as one of Council's top seven priorities. The Strategic Plan listed the following potential actions items for brownfield redevelopment:

- Review other communities that are addressing brownfields;
- Adopt ideas that will work in the Welland context;
- Work with the Ministry of Municipal Affairs and Housing on legislative and regulatory frameworks for encouraging brownfield redevelopment;
- Explore provincial government proposals to utilize brownfields for new residential developments;
- Review and revise the property tax structure, where applicable;
- Ensure a planning structure that enables brownfield development to compete on a level playing field with greenfield development.
- Coordinate brownfield redevelopment with downtown revitalization and the Canal Corporation Plan.

This Brownfield CIP serves to help the City implement these action items.

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3.5 Community Economic Development Strategy

The City of Welland Economic Development Strategy proposes a framework for improving Welland's long term economic competitiveness and quality of life in the community. The Strategy includes a ten-point plan that builds on Welland's strengths and opportunities for community economic development and addresses key issues and impediments to economic growth. The ten-point plan includes the following strategies:

- 1) Build on Competitive Strengths and Promote Economic Diversification
- 2) Focus on Quality of Life
- 3) Forge Stronger Linkages Between Education, Business and Industry
- 4) Develop a Community Labour Market Partnership
- 5) Promote a Culture of Innovation across all Sectors
- 6) Secure Community Leadership
- 7) Source Development Funding
- 8) Inspire Community Ownership and Strengthen Community Partnership
- 9) Develop Structural Supports
- 10) Plan for the Long Term

Most of these economic development strategies are supported by the Brownfield CIP. For example, the first point in the plan stresses that the City of Welland build on its competitive strengths and promote economic diversification. New and expanding businesses require land for the purposes of business start up or expansion. The rehabilitation, reuse and redevelopment of vacant and underutilized brownfield sites will help to accommodate this demand for land and buildings on sites that are already serviced, without encouraging urban sprawl and its associated costs.

The Economic Strategy acknowledges that the City's future ability to attract both people and investment depends on maintaining and improving quality of life and quality of place. Quality of life and place is enhanced when the environment is improved through remediation and the aesthetic and social quality of neighbourhoods, commercial and employment areas is improved through brownfields rehabilitation and redevelopment.

Sourcing development funding from the various levels of government is another key element of the Strategy. Brownfield remediation was identified as one of the development priorities that require immediate funding assistance. This Brownfield CIP and the programs contained herein will assist the City of Welland in acquiring funding assistance from the upper levels of government (regional, provincial and federal).

The Economic Strategy seeks to promote research and development initiatives. By promoting environmental remediation activity, the Brownfield CIP will have a positive impact on the demand for environmental remediation technologies, thereby stimulating research into environmental technologies. This could lead to the enhancement and development of new environmental remediation technologies which can then be sold to the local and global communities.

Finally, the Economic Strategy notes that programs designed to promote local economic diversity and growth must be accompanied by the development of structural supports, e.g., the upgrading of physical infrastructure. The Economic Strategy notes that one of the key structural supports will be community improvement policies to create financial incentive programs for brownfield development.

3.6 Smarter Niagara Incentive Programs

The Smarter Niagara Incentive Programs were endorsed by Regional Council in 2002. The Smarter Niagara Incentives Program contains five incentive programs. These are:

- 1) Waiver/Exemption from Regional Development Charges
- 2) Brownfields Incentive Programs
- 3) Downtown/Commercial Area Redevelopment Incentive Program
- 4) Residential Conversion and Intensification Incentive Program
- 5) Heritage Restoration and Improvement Incentive Program

Efforts have been ongoing to implement these programs since 2002. The Region has budgeted funds for the implementation of these programs. The Region and area municipalities in Niagara have established a Region/Area Municipality Incentive Coordinating Committee to coordinate the provision of these incentives through local community improvement plans.

Adoption of this Brownfield CIP will allow the City of Welland to directly take advantage of matching funding from the Region for the above-noted programs designed to promote brownfield redevelopment. This includes the:

- a) Environmental Assessment Grant Program;
- b) Property Rehabilitation and Redevelopment Tax Increment Based Grant Program;
- c) Municipal Brownfield Leadership Program.

The Region has established that it will provide a matching proportionate share of any financial incentive offered by an area municipality, subject to a maximum share from the Region as specified in the Smarter Niagara Incentive Programs.

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4.0 CRITICAL NEEDS ANALYSIS

4.1 Methodology

A critical needs analysis was conducted to determine the key impediments to brownfield redevelopment and the opportunities for brownfield redevelopment in Welland. The first step in this analysis was to conduct a thorough review of background information. This included a review of:

- i) municipal (City and Regional) policies relating to brownfield redevelopment and growth management;
- ii) provincial and federal policies relating to brownfield redevelopment;
- iii) the implications of brownfield related legislation and regulations for the City of Welland; and,
- iv) best practices in eight Ontario municipalities and a few leading U.S. municipalities;

This review of background information helped to establish the parameters of possible program policy responses to local impediments to brownfield redevelopment. The results of this review are contained in the Welland Brownfield Strategy/CIP Interim Report (August 2006).

A first public meeting was held at the beginning of the preparation of the Brownfield Strategy/CIP. The purpose of the meeting was to inform the public and key stakeholders of the study process. An update meeting was held in December of 2005 with staff, the Brownfield Liaison Committee and key stakeholders. This meeting was followed up by face-to-face and telephone interviews with nine (9) key stakeholders on December 14, 15 and 21, 2005. The key stakeholders included representatives from across the brownfield redevelopment industry, including property owners, developers, contractors, legal and real estate professionals.

The key stakeholder interviews were guided by a questionnaire that asked questions about the key impediments to brownfield redevelopment in Welland and the required improvements that could be made and incentives offered to spur brownfield redevelopment in Welland. In determining the key impediments and opportunities for brownfield redevelopment described below, the input obtained from the interview respondents was augmented through experience and best practices in other municipalities, the key impediments identified by the National Roundtable on the Environment and Economy (NRTEE) in their 2003 National Brownfield Redevelopment Strategy for Canada, and input from City staff.

Input obtained from the key stakeholder interviews was also utilized to guide development of custom designed incentive programs and a municipal leadership strategy designed to overcome the impediments to brownfield redevelopment in Welland. A Draft Brownfield CIP (including the incentive programs and municipal leadership strategy) was presented at a second public meeting held on March 1, 2007. This presentation was also posted on the City's web site. Those attending the public meeting and visiting the City's web site were provided with an opportunity to comment on the Draft Brownfield CIP. The comments received were evaluated and utilized to finalize the programs contained in this Brownfield CIP.

4.2 Impediments

Based on the critical needs analysis, the following key impediments to brownfield redevelopment in Welland were identified. Based on the interviews conducted, this list is presented in order from most significant to least significant:

- Welland's overall negative image;
- The cost of environmental remediation;
- The cost of environmental site assessments;
- Time required for municipal planning approvals;
- Lack of public education and awareness;
- Lack of developer awareness of opportunities;
- Market conditions (low land values and lack of demand);
- Lack of four lane road access to Welland;
- Lack of alternative remediation technologies;
- Inability to use risk assessment;
- Inadequate infrastructure.

4.3 Opportunities

Several opportunities for brownfield redevelopment were identified by the key stakeholders, including several of the priority redevelopment sites profiled in the Development Opportunities Summary Report (September 2006). Several of the key stakeholders also suggested that the City market its recent downtown investments, including the new City Hall. The Welland Recreational Waterway was seen as a key recreational resource to be marketed to attract residential development. In addition to financial incentive programs, the key stakeholders also had suggestions for improvements in other areas:

- Some room for improvement in timelines of City approvals (planning, building, other) although timelines are much improved;
- Expedite planning and building approvals on brownfield sites;
- Need more participation from councilors and staff at brownfield and other Smart Growth seminars and workshops;
- Conduct information seminars in plain language on local brownfield sites for developers, real estate community and the public;
- City should have a brownfield coordinator leading a staff brownfields action team and working with a brownfields advisory group;
- LEED should be introduced into brownfield incentives;
- Provide familiarization tours to real estate agents;
- City should become more aggressive with respect to tax delinquent properties – conduct tax sales, waive back taxes after a failed tax sale where required;
- Investigate possibility of assistance to not-for-profit corporations building affordable housing on brownfield sites;
- Provide developers with a risk analysis model on how to approach brownfield sites.

5.0 COMMUNITY IMPROVEMENT PROJECT AREA

The prevailing trend in municipalities now preparing comprehensive Brownfield CIPs is to designate the entire municipality, or at least the entire urban area, as the community improvement project area to which their Brownfield CIP will apply. To obtain a better sense of the geographic distribution of potentially contaminated properties in Welland, an inventory of 23 potential brownfield properties was identified by City staff. These properties include operating and non-operating heavy industrial uses, as well as a number of commercial uses, institutional uses and vacant lands. In total, the 23 properties comprise 212 ha (523 acres) with properties ranging in size from 0.3 ha to 72.5 ha. Based on existing and previous uses of these properties, most of them have a moderate to high potential for contamination. Most of the 23 properties have good redevelopment potential and are in close proximity to the Welland Recreational Waterway. Fourteen of the 23 properties are within 500 metres of the Waterway and all but one of these properties is located within 1 km. of the Waterway.

While the most easily identifiable brownfield properties in Welland are concentrated in the older areas of the city, near the Welland Recreational Waterway, there is no doubt properties in other parts of the City of Welland are also brownfields. These will include lands with current and former uses such as gasoline stations, dry cleaners, printers, manufacturers, blacksmiths, textile mills, asphalt plants, petroleum storage and automobile wrecking yards. Some of these uses, such as gasoline stations, will be spread across the urban area of the City. Therefore, based on the location of potential brownfield sites in the City of Welland, the Community Improvement Project Area for this CIP is “the entire urban area of the City of Welland, as amended from time to time, as well as those lands included in the Northwest Planning and Servicing Study”. The Community Improvement Project Area is properly defined by this text reference. The boundary of the Community Improvement Project Area coincides with the boundary of the area affected by Community Improvement Policies as shown in Appendix A. In this regard, Appendix A is provided for illustrative purposes only.

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6.0 INCENTIVE PROGRAMS AND MUNICIPAL ACTIONS

6.1 Introduction

In order to achieve the brownfield redevelopment goals of this Strategy, the impediments to brownfield redevelopment in Welland must be overcome. The incentive programs contained in this CIP represent a comprehensive framework containing a tool kit of programs that taken together, are designed to help overcome the impediments to brownfield redevelopment in Welland and achieve the goals outlined in Section 1.4 of this CIP.

The incentive programs contained in this Strategy can be used individually or together by an applicant, but the total of all grants, loans and tax assistance provided in respect of the particular lands and buildings of an applicant under the programs contained in this Strategy shall not exceed the cost of rehabilitating said lands and buildings. The financial incentive programs in this Strategy are primarily directed at the private sector and are designed to encourage private sector remediation and rehabilitation, adaptive reuse and construction activity on brownfield sites.

This Brownfield CIP contains the following incentive programs as outlined in Section 6.0:

- a) Environmental Site Assessment Grant Program;
- b) Brownfields Tax Assistance Program; and,
- c) Brownfields Rehabilitation Grant Program.

The Brownfields Planning and Building Permit Fees Refund Program is also included in Section 6.0, but it does not actually form part of this CIP because it will be implemented via Section 69 of the *Planning Act* for planning application fees and via the City's by-law relating to fees and charges as provided for under the *Municipal Act, 2001* for the demolition and building permit fees.

The Brownfields Development Charge Exemption Program, which does not actually form part of this CIP, is described in Section 7.0 of this report. An amendment to the Region's development Charges By-law has already been made to implement this program. An amendment to the City's Development Charges By-law will be required to implement the City component of this program. As this amendment to the City's Development Charges By-law is outside the scope of the Planning Act, the Development Charge Waiver Program has only been referenced in this Plan, and does not form part of this Plan.

A summary of the incentive programs is shown in Figure 2. Appendix B displays a typical development scenario on a brownfield site and when the various incentive programs could be utilized.

The purpose, type, duration, eligibility criteria and application requirements for each of the financial incentive programs is described in detail below. The incentive programs will be augmented and complemented by a proactive Municipal Leadership Strategy (Section 8.0), and a Marketing Strategy (Section 9.0). A Monitoring Program will monitor implementation progress and program results (Section 10.0).

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Figure 2 Summary of Incentive Programs

Program Name	Program Description
Environmental Site Assessment Grant Program	<ul style="list-style-type: none"> - Grant equivalent to 50% of the cost of an eligible environmental site assessment, remedial action plan or risk assessment. - Maximum grant of \$15,000 per environmental study. - Maximum of 2 studies per property/project. - Maximum total grant of \$25,000 per property/project.
Brownfields Tax Assistance Program	<ul style="list-style-type: none"> - Cancellation of the municipal property tax increase for up to 5 years. - Cancellation of the education property tax increase for up to 3 years⁸.
Brownfields Rehabilitation Grant Program	<ul style="list-style-type: none"> - Grant equivalent to up to 90% of the municipal property tax increase created by the project for up to 10 years after project completion. - Grant level is dependant on Leadership in Energy and Environmental Design (LEED) standard achieved (No Certification, Certified, Silver, Gold, or Platinum).
Brownfields Planning and Building Permit Fees Refund Program⁹	<ul style="list-style-type: none"> - Refund of 100% of: <ul style="list-style-type: none"> a) all planning applications fees; b) demolition permit fee. - Refund of up to 100% of building permit fee dependant on LEED standard achieved.
Brownfields Development Charge Exemption Program⁹	<ul style="list-style-type: none"> - Up to 100% reduction of development charge payable dependant on cost of environmental remediation, incorporation of Smart Growth principles and LEED standard achieved.

6.2 General Program Requirements

The general and program specific requirements contained in this CIP are not necessarily exhaustive and the City reserves the right to include other requirements and conditions as deemed necessary on a property specific basis. All of the financial incentive programs contained in this CIP are subject to the following general requirements as well as the individual requirements specified under each program.

- a) For the purposes of making application for any of the incentive programs contained in this CIP (except for the Environmental Site Assessment Grant Program), an eligible property is a property where a Phase II ESA has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required Ministry of Environment standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry for the proposed use of the property.
- b) For the purposes of making application for the Environmental Site Assessment Grant Program, an eligible property is a property (including land and buildings) that is within the Community Improvement Project Area.

⁸ Generally, matching education property tax assistance will last for a maximum of three (3) years. Extensions are subject to the approval of the Minister of Finance.

⁹ Note that this program does not form part of the CIP.

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- c) The City reserves the right to audit the cost of project feasibility studies, environmental studies, environmental remediation works, and/or rehabilitation works that have been approved under any of the financial incentive programs, at the expense of the applicant;
- d) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant and/or tax assistance;
- e) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the City may delay, reduce or cancel the approved grant and/or tax assistance;
- f) The City may discontinue any of the programs at any time, but applicants with approved grants and/or tax assistance will still receive said grant and/or tax assistance, subject to meeting the general and program specific requirements;
- g) All proposed works approved under the incentive programs and associated improvements to buildings and/or land shall conform to all municipal by-laws, policies, procedures, standards and guidelines, including applicable Official Plan and zoning requirements and approvals;
- h) The improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code;
- i) Outstanding work orders, and/or orders or requests to comply, and/or other charges from the City (including tax arrears) must be satisfactorily addressed prior to grant and/or tax assistance payment;
- j) City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for any of the financial incentive programs offered by the City; and,
- k) The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings of an applicant under the programs contained in this CIP shall not exceed the cost of rehabilitating said lands and buildings.

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6.3 Environmental Site Assessment (ESA) Grant Program

6.3.1 Purpose

The purpose of the Environmental Site Assessment (ESA) Grant Program is to promote the undertaking of environmental studies so that more and better information is available with respect to the type of contamination and potential remediation costs on brownfield properties.

6.3.2 Description

A Phase I Environmental Site Assessment (ESA) has become a standard requirement of most financial institutions. A Phase I ESA does not provide detailed information with respect to the type of contamination and cost of remediation. Therefore, Phase I ESA's are not eligible for funding under this program. To be eligible to apply for the ESA Grant Program, a Phase I ESA must have been completed on the property and must show that the property is suspected of environmental contamination.

The ESA Grant Program will provide a matching grant of 50% of the cost of an eligible environmental study to a maximum grant of:

- a) \$15,000 per study;
- b) two studies per property/project; and,
- c) \$25,000 per property/project.

Eligible environmental studies include a Phase II ESA, Remedial Work Plan, and a Risk Assessment. Environmental site assessment grants will only be offered on eligible properties where there is potential for rehabilitation and/or redevelopment of the property.

Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City staff and a decision on the grant application will be made by City staff. Applications will be processed and approved on a first come, first serve basis, subject to availability of funding as approved by Council, with a higher priority being placed on applications for sites where planning approvals are not required or sites where planning applications have been submitted.

Grants approved under this program would be provided to applicants following submission to the City for review of the final completed study with the original invoice, indicating that the study consultants have been paid in full. The grant will be paid on the lesser of a cost estimate provided by the qualified person (consultant) conducting the study or the actual cost of the study. The grant may be reduced or cancelled if the study is not completed, not completed as approved, or if the consultant(s) that conducted the study are not paid. The applicant will agree to provide the City with permission to notify any other subsequent project proponents of the existence of an environmental study or studies.

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The ESA Grant Program will commence on or after the date of approval of this CIP and will be offered for an initial period of approximately five (5) years, after which the program will be evaluated, with the option to extend the program for up to another five (5) years, subject to the availability of funding as approved by Council.

6.3.3 Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by City Council:

- a) An application must be submitted to the City prior to the start of any environmental study to which the grant will apply;
- b) If the applicant is not the owner of the property, the applicant must provide written consent from the owner of the property to make the application and conduct the study.
- c) Environmental studies shall be for the purpose of:
 - i) confirming and describing contamination at the site (partial or complete Phase II ESA);
 - ii) developing a plan to remove, treat, or otherwise manage contamination found on the site (Remedial Work Plan/Risk Assessment);
- d) Applicants must complete and submit to the City for review a Phase I ESA that demonstrates that site contamination is likely;
- e) Applications will include:
 - i) a detailed study work plan;
 - ii) a cost estimate for the study; and,
 - iii) a description of the planned redevelopment, including any planning applications that have been submitted/approved;
- f) All environmental studies shall be completed by a “qualified person” as defined by Ontario Regulation 153/04;
- g) All completed environmental studies must comply with the description of the studies as provided in the grant application form;
- h) One (1) electronic and one (1) hard copy of the study findings shall be supplied to the City for review.

6.3.4 Administration

Guidelines for the administration of this program are attached in Appendix C. Appendix C does not form part of this Plan. The Guidelines for administration of this program may be changed from time to time, as required, without amendment to this Plan.

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6.4 Brownfields Tax Assistance Program

6.4.1 Purpose

The purpose of the Brownfields Tax Assistance Program (TAP) is to encourage the remediation and rehabilitation of brownfield sites by providing a cancellation of part or all of the property tax increase on a property that is undergoing or has undergone remediation and development to assist with payment of the cost of environmental remediation. This program applies only to properties requiring environmental remediation and/or risk assessment/management.

6.4.2 Description

The legislative authority for the Brownfields TAP is established under Sections 365.1 (2) of the *Municipal Act, 2001* which allows municipalities to pass a by-law providing tax assistance to an eligible property in the form of cancellation of all or part of the taxes levied on that property for municipal (City and Region) and education purposes during the “rehabilitation period” (maximum 18 months from the date tax assistance begins) and the “development period” of the property, as defined in Section 365.1 of the *Municipal Act, 2001*. Matching education property tax assistance for eligible properties under the provincial Brownfields Financial Tax Incentive Program (BFTIP), or through any other replacement programs administered by the Ministry of Finance, is subject to approval of the Minister of Finance on a case by case basis.

An “eligible property” for the Brownfields TAP is a property within the community improvement project area where a Phase II Environmental Site Assessment (ESA) has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry.

“Eligible costs” for the Brownfields TAP are the costs of any action taken to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*. This includes the cost of:

- i) a Phase II ESA, Remedial Work Plan, and Risk Assessment not covered by the ESA Grant Program;
- ii) environmental remediation, including the cost of preparing a RSC;
- iii) placing clean fill and grading;
- iv) installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment;
- v) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment;
- vi) environmental insurance premiums.

In no case will the total amount of tax assistance provided under the Brownfields TAP exceed the total of these eligible costs.

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The municipal property tax assistance provided will cease:

- a) when the total tax assistance provided equals the total eligible costs as specified above; or,
- b) after five (5) years, whichever comes first.

The matching education property tax assistance will cease:

- a) when the total tax assistance provided equals the total eligible costs as specified above; or,
- b) after such time period as is approved by the Minister of Finance¹⁰, whichever comes first.

As part of the tax assistance provided to the applicant, the City of Welland may also seek participation from the Regional Municipality of Niagara (Region) in order to provide for a cancellation of part or all of the municipal (City and Region) property tax increase. The matching Regional portion of the property tax increase to be cancelled is subject to approval by Regional Council. This tax assistance provided by the Region may be delivered differently than the tax assistance provided by the City and may be subject to additional conditions.

Matching education property tax assistance through the Brownfields Financial Tax Incentive Program (BFTIP), or through any other replacement program(s) administered by the Ministry of Finance is subject to approval by the Minister of Finance, may be provided on a different schedule from the tax assistance provided by the City and the Region, and may be subject to additional conditions.

Any property approved for tax assistance will be subject to passing of a by-law by the City that authorizes the provision of the tax assistance. This by-law will contain conditions required by the City as well as conditions required by the Region and the Minister of Finance. In order for the by-law to apply to Regional taxes, before it is passed by the City, the City must supply a copy of the proposed by-law to Regional Council. Regional Council must by resolution agree that the by-law will also provide for a matching equivalent cancellation of the Regional property tax increase for up to 5 years. In order for the by-law to apply to education property taxes, before it is passed by the City, the by-law must be approved in writing by the Minister of Finance.

Applications will be processed on a first come, first serve basis, subject to a higher priority being placed on sites where planning applications have already been approved. Review and evaluation of an application and supporting materials against program requirements will be completed by City staff who will then make a recommendation to City Council or Council's designate. The application is subject to approval by City Council or Council's designate. As a condition of approval of an application for Brownfields Tax Assistance, the property owner must enter into an agreement with the City. This Agreement will specify the terms, duration and default provisions of the tax assistance. This Agreement is also subject to approval by City Council or Council's designate.

¹⁰ Generally, matching education property tax assistance will last for a maximum of three (3) years. Extensions are subject to the approval of the Minister of Finance.

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The Brownfields Tax Assistance Program will commence on or after the date of approval of this CIP and will be offered for an initial period of approximately five (5) years, with an option to extend the program for up to another five (5) years, subject to the availability of funding as approved by City Council and the Minister of Finance.

6.4.3 Requirements

Only owners of property within the community improvement project area are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to availability of funding as approved by City Council, Regional Council and the Minister of Finance:

- a) An application must be submitted to the City prior to the start of any remediation works to which the tax assistance will apply;
- b) The application must be accompanied by a Phase II ESA prepared by a qualified person that shows that the property does not meet the standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry;
- c) The application must be accompanied by a Phase II ESA, Remedial Work Plan or Risk Assessment prepared by a qualified person that contains:
 - i) an estimate of the cost of actions that will be required to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*; and
 - ii) a work plan and budget for said environmental remediation and/or risk management actions;
- d) As a condition of the application, the City may require the applicant to submit a Business Plan for redevelopment of the property (as applicable), with said Plan to the City's satisfaction;
- e) The property shall be rehabilitated such that the work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property;
- f) The total value of the tax assistance provided under this program shall not exceed total eligible costs. This includes the eligible costs of:
 - i) a Phase II ESA, Remedial Work Plan, and Risk Assessment not covered by the ESA Grant Program;
 - ii) environmental remediation, including the cost of preparing a RSC;
 - iii) placing clean fill and grading;
 - iv) installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment;

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- v) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment;
- vi) environmental insurance premiums;

- g) All property owners participating in this program will be required to enter into an agreement with the City that will specify the terms, duration and default provisions of the tax assistance;

- h) All Brownfields Tax Assistance Program applications and agreements must be approved by Council or Council's designate;

- i) Should the owner of the property default on any of the conditions in the by-law, the tax assistance provided (plus interest) will become payable to the City, Region and Province;

- j) The owner shall file in the Environmental Site Registry a RSC for the property signed by a qualified person, and the owner shall submit to the City proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

6.4.4 Administration

Guidelines for the administration of this program are attached in Appendix D. Appendix D does not form part of this Plan. The Guidelines for administration of this program may be changed from time to time, as required, without amendment to this Plan.

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6.5 Brownfields Rehabilitation Grant Program

6.5.1 Purpose

The purpose of the Brownfields Rehabilitation Grant Program is to encourage the remediation, rehabilitation and adaptive re-use of brownfield sites by providing grants to help pay for additional rehabilitation costs normally associated with brownfield sites.

6.5.2 Description

The Rehabilitation Grant Program will provide a financial incentive in the form of an annual grant for up to ten (10) years to help offset the cost of remediating and rehabilitating eligible brownfield properties only where that rehabilitation results in an increase in assessment value and property taxes on these properties. An application can be made for the Rehabilitation Grant Program or the Property Tax Assistance Program, or both programs together. The annual grant available under the Rehabilitation Grant Program can be paid only once final building inspection has taken place, reassessment of the property has taken place, and the property owner has paid the property taxes in full for the year in which the grant is to be provided. If an application for both the Rehabilitation Grant Program and the Property Tax Assistance Program has been approved, the annual grant available under the Rehabilitation Grant Program will begin when the benefits of the Property Tax Assistance Program end.

“Eligible costs” for the Rehabilitation Grant Program include the costs of:

- a) a Phase II ESA, Remedial Work Plan, and Risk Assessment not covered by the ESA Grant Program or the Brownfields TAP;
- b) environmental remediation, including the costs of preparing a RSC, not covered by the Brownfields TAP;
- c) placing clean fill and grading not covered by the Brownfields TAP;
- d) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields TAP;
- e) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields TAP;
- f) environmental insurance premiums not covered by the Brownfields TAP;
- g) the following Leadership in Energy and Environmental Design (LEED) Program Components:
 - i) base plan review by a certified LEED consultant;
 - ii) preparing new working drawings to the LEED standard;
 - iii) submitting and administering the constructed element testing and certification used to determine the LEED designation;
 - iv) increase in material/construction cost of LEED components over standard building code requirements to a maximum of 10% of total construction costs;
- h) demolishing buildings;
- i) building rehabilitation and retrofit works;
- j) upgrading on-site infrastructure including water services, sanitary sewers and stormwater management facilities;

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- k) constructing/upgrading off-site infrastructure including roads, water services, sanitary sewers, stormwater management facilities, electrical and gas utilities, where this is required to permit remediation, rehabilitation and/or adaptive reuse of the property that is subject of the application.

In no case will the total amount of the grant provided under the Brownfields Rehabilitation Grant Program exceed the total of these eligible costs.

The annual grant available under the Brownfields Rehabilitation Grant Program will be offered as a tax-increment based grant on a “pay-as-you go” basis. The applicant will initially pay for the entire costs of remediation and rehabilitation. When the City receives the incremental property taxes that result from the rehabilitation project, the City will reimburse the applicant in the form of an annual grant equivalent to a percentage of the increase in municipal taxes that results from the project for a period of up to ten years, or up to the time when total grant payments equal total eligible costs, whichever comes first.

In order to incorporate the principles of Smart Growth into the Rehabilitation Grant Program, the percentage of the municipal tax increase that will be used to calculate the grant varies by year and level of LEED certification according to Figure 3 below.

Figure 3 Brownfields Rehabilitation Grant Level

Year	No LEED Certification	LEED Certification	LEED Silver	LEED Gold	LEED Platinum
1	70%	80%	80%	80%	90%
2	60%	80%	80%	80%	90%
3	60%	70%	70%	80%	90%
4	50%	70%	70%	80%	90%
5	50%	60%	70%	80%	90%
6	50%	60%	70%	80%	90%
7	40%	50%	60%	80%	90%
8	30%	50%	60%	80%	90%
9	20%	40%	60%	80%	90%
10	20%	30%	60%	80%	90%
TOTAL	450	590	680	800	900

In order to avoid double dipping between the Property Rehabilitation and Redevelopment Tax-Increment Grant Program available under the Downtown Welland CIP and the Brownfields Rehabilitation Grant Program available under this CIP, application can be made for only one of these grant programs, per property, site or project.

Applications will be processed and approved on a first come, first serve basis, subject to availability of funding as approved by Council. Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City staff who will then make a recommendation to City Council or Council’s designate. The application is subject to approval by City Council or Council’s designate. As a condition of approval of an application for a Brownfields Rehabilitation Grant, the applicant must enter into an agreement with the City. This Agreement will

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specify the terms, duration and default provisions of the grant. This Agreement is also subject to approval by City Council or Council's designate.

The amount of municipal (City and Region) taxes ("base rate") will be determined before commencement of the project. The increase in the municipal portion of real property taxes (or "municipal tax increment") will be calculated as the difference between the base rate and the amount of municipal (City and Region) taxes levied as a result of re-valuation by the Municipal Property Assessment Corporation (MPAC) following project completion. The amount of the grant will be recalculated every year based on the municipal tax increment every year. It is recommended that this program be offered for a period of ten (10) years, subject to the availability of funding as approved by City Council.

The Brownfields Rehabilitation Grant Program will commence on or after the date of approval of this CIP and will be offered for a period of approximately ten (10) years, subject to the availability of funding as approved by City Council.

6.5.3 Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by City Council:

- a) A grant application must be submitted to the City prior to the start of any rehabilitation works to which the grant will apply;
- b) 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 and conformity of the project with the CIP;
- c) If the application includes costs for environmental remediation, the application must be accompanied by a Phase II ESA, Remedial Work Plan or Risk Assessment Plan prepared by a qualified person that contains:
 - i) an estimate of the cost of actions that will be required to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the Environmental Protection Act; and
 - ii) a work plan and budget for said environmental remediation, and/or risk management actions;
- d) 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;
- e) The property shall be rehabilitated such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property;

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- f) The total value of the grant provided under this program shall not exceed total eligible costs. This includes the costs of:
- i) a Phase II ESA, Remedial Work Plan, and Risk Assessment not covered by the ESA Grant Program or the Brownfields TAP;
 - ii) environmental remediation, including the costs of preparing a RSC, not covered by the Brownfields TAP;
 - iii) placing clean fill and grading not covered by the Brownfields TAP;
 - iv) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields TAP;
 - v) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields TAP;
 - vi) environmental insurance premiums not covered by the Brownfields TAP;
 - vii) the following Leadership in Energy and Environmental Design (LEED) Program Components:
 - i) base plan review by a certified LEED consultant;
 - ii) preparing new working drawings to the LEED standard;
 - iii) submitting and administering the constructed element testing and certification used to determine the LEED designation;
 - iv) increase in material/construction cost of LEED components over standard building code requirements to a maximum of 10% of total construction costs;
 - viii) demolishing buildings;
 - ix) building rehabilitation and retrofit works;
 - x) upgrading on-site infrastructure including water services, sanitary sewers and stormwater management facilities;
 - xi) constructing/upgrading off-site infrastructure including roads, water services, sanitary sewers, stormwater management facilities, electrical and gas utilities, where this is required to permit remediation, rehabilitation and/or adaptive reuse of the property that is subject of the application.
- g) All applicants participating in this program will be required to enter into an agreement with the City which will specify the terms of the grant;
- h) All Rehabilitation Grant Program applications and agreements must be approved by City Council or City Council's designate;
- i) If a building(s) erected on a property participating in this program is demolished before the grant period expires, the remainder of the monies to be paid out under the grant shall be forfeited;
- j) The owner shall file in the Environmental Site Registry a RSC for the property signed by a qualified person, and the owner shall submit to the City proof that the RSC has been acknowledged by the Ministry of Environment (MOE).

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6.5.4 Administration

Guidelines for the administration of this program are attached in Appendix E. Appendix E does not form part of this Plan. The Guidelines for administration of this program may be changed from time to time, as required, without amendment to this Plan.

6.6 Brownfields Planning and Building Fees Refund Program

Note: This section does not form part of this CIP.

6.6.1 Purpose

The purpose of the Brownfields Planning and Building Fees Refund Program is to provide an additional incentive to augment the other brownfield redevelopment programs in Welland and to facilitate and spur adaptive re-use and new construction activity.

6.6.2 Description

The Brownfields Planning and Building Fees Refund Program does not form part of this CIP because it can and will be implemented outside the Brownfield CIP via Section 69 of the *Planning Act* for planning application fees and via a City by-law relating to fees and charges as provided for under the *Municipal Act, 2001* for the demolition and building permit fees.

An “eligible property” for the Brownfields Planning and Building Fees Refund Program is a property within the community improvement project area:

- a) where a Phase II Environmental Site Assessment (ESA) has been conducted, and that as of the date the Phase II ESA was completed, did not meet the required standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) to be filed in the Environmental Site Registry;
- b) that has been approved for the Brownfields TAP and/or has been approved for the Brownfields Rehabilitation Grant Program including one or more of the eligible costs under 6.5.2 b), d)-g).

The Brownfields Planning and Building Fees Refund Program will provide a refund of planning and building permit application fees for eligible properties according to the following schedule:

- a) 100% of fees for all planning applications;
- b) 100% of the demolition permit fee;
- c)
 - i) 50% of the building permit fee if no LEED Certification;
 - ii) 65% of the building permit fee if LEED Certified;
 - iii) 75% of the building permit fee if LEED Silver;
 - iv) 90% of the building permit fee if LEED Gold;
 - v) 100% of the building permit fee if LEED Platinum.

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Council may revise this schedule at any time to reduce or increase any of the fee refund rates.

In order to avoid double dipping between the Refund of Local Planning and Building Fees Program available under the Downtown Welland CIP and the Brownfields Planning and Building Fees Refund Program available under this CIP, application can be made for only one of these grant programs, per property, site or project.

The City will require payment of all applicable planning and building fees at the application stage. Upon final inspection of the completed and substantially occupied project, any current or previous owner of an eligible property may apply for a refund of planning and building permit fees that they have paid to the City. In order to receive a refund of fees paid, the applicant must provide copies of receipts for fees paid.

This program does not apply to required professional studies, performance securities, or costs incurred by the applicant in relation to an appeal to the Ontario Municipal Board.

The Brownfields Planning and Building Fees Refund Program will commence on or after the date of approval of this CIP and will be offered for a period of approximately five (5) years, after which the program will be evaluated, with the option to extend the program for up to another five (5) years, subject to the availability of funding as approved by Council.

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7.0 BROWNFIELDS DEVELOPMENT CHARGE EXEMPTION PROGRAM

Note: This section does not form part of this CIP.

7.1 Purpose

The purpose of the Brownfields Development Charge Exemption Program is to promote brownfield redevelopment and Smart Growth on brownfield sites by providing a major economic catalyst in the form of an upfront reduction of the often large development charges that must be paid when a brownfield property is redeveloped.

7.2 Description

While most of the potential brownfield properties in the Community Improvement Project Area are already serviced with adequate water and sewer services and roads, large scale redevelopment of brownfield sites may result in incremental increases in demand for both hard and soft services. However, it is recognized that the costs to provide these incremental services will be substantially lower than to provide new infrastructure and other services if this development were to take place in greenfield areas. Therefore, there is a financial rationale for a lower development charge for brownfield redevelopment in the Community Improvement Project Area. The exemption of development charges has been shown to be a major incentive to promote brownfield redevelopment in other municipalities. The City of Welland currently only charges development charges for residential development.

In an effort to promote new residential and commercial development in downtowns, built-up urban areas, and brownfield areas, the Region passed a development charge waiver/exemption program in 2002 (Regional Report CSD 151-2002/DPD 131-2002). This was followed in 2003 with a report that outlined the administrative procedures for implementation of the development charge waiver/exemption program (Regional Report CSD 39-2003/DPD 48-2003). The Region's Development Charge Waiver/Exemption Program exempts a development from 75% of the Regional development charge if it is in a downtown, surrounding built-up urban area or on a brownfield. Up to an additional 25% development charge exemption is provided depending on the inclusion of Smart Growth principles into the proposed development. Eligibility for the regional development charge exemption is determined by a Regional Development Charges Task Force.

While the exemption of local municipal development charges is not required by the Region as a condition of the Regional program, it is encouraged by the Region. Combined with the Regional development charge exemption, an exemption for City development charges on brownfield sites will likely prove to be a significant upfront financial incentive to brownfield developers.

The proposed Brownfields Development Charge Exemption Program outlined below will require that changes to the City's Development Charges By-law be implemented. Therefore, implementation of this Program does not fall within the parameters of Section 28 of the *Planning Act* and the Brownfields Development Charge Exemption Program does not form part of the Brownfields CIP.

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The Brownfields Development Charge Exemption Program will be forwarded to Council as a separate recommendation and implementing by-law.

The Brownfields Development Charge Exemption Program will provide a financial incentive in the form of a reduction of development charges payable equal to the cost of environmental remediation (Items f) i)-vi) in Section 6.5.3 of this CIP) approved under the Brownfields Rehabilitation Grant Program. This reduction of development charges will equal up to 75% of the City development charge payable with respect to development on a brownfield site. The applicant with an approved application and agreement for a property under the Brownfields Rehabilitation Grant Program will have the option of applying said costs of environmental remediation against the development charges payable for that property (after any demolition charge credits are applied). If the applicant chooses to exercise this option, the costs of remediation applied against the development charges payable (development charges exempted) will be deducted from the Brownfields Rehabilitation Grant to be paid.

Up to an additional 25% City development charge reduction will be provided depending on the LEED standard achieved and inclusion of Smart Growth principles into the proposed development utilizing the same eligibility requirements as the Region. An applicant may receive both the City of Welland's Development Charge Exemption and the Region's Development Charge Exemption Program.

The Development Charge Exemption Program is not an application based program. Therefore, an application for a development charge exemption at the time of building permit application will not be required. The development charge exemption will be applied at the time development charges are normally paid, i.e., building permit.

The Brownfields Development Charge Exemption Program will commence on or after the date of approval of enabling amendments to the City's Development Charges By-law by Council. The Brownfields Development Charge Exemption Program will be offered for an initial period of approximately five (5) years, with the option to extend the program for up to another five (5) years, subject to the availability of funding as approved by City Council.

7.3 Requirements

All owners of properties (and their assignees) within the Community Improvement Project Area are eligible for the Brownfields Development Charge Exemption Program, subject to meeting the general program requirements, the following program requirements, and availability of funding as approved by Council:

- a) All properties considered eligible for the Brownfields Development Charge Exemption Program must have an approved Rehabilitation Grant Program Application and Agreement in place;
- b) Only properties where an MOE acknowledged RSC has been filed in the Environmental Site Registry for the proposed use will be eligible for the Brownfields Development Charge Exemption Program;

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- c) As a condition of development charge exemption, the City may require the applicant to submit for approval professional design/architectural drawing(s) which shall be in conformity with any municipally issued urban design guidelines, as well as impact studies such as traffic studies and studies of microclimatic conditions (sun, shadow, wind);
- d) Eligible costs include only the costs of:
 - i) a Phase II ESA, Remedial Work Plan, and Risk Assessment not covered by the Environmental Study Grant Program or the Brownfields Tax Assistance Program;
 - ii) environmental remediation, including the cost of preparing a RSC, not covered by the Brownfields Tax Assistance Program;
 - iii) placing clean fill and grading not covered by the Brownfields Tax Assistance Program;
 - iv) installing environmental and/or engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields Tax Assistance Program;
 - v) monitoring, maintaining and operating environmental and engineering controls/works, as specified in the Remedial Work Plan and/or Risk Assessment, not covered by the Brownfields Tax Assistance Program;
 - vi) environmental insurance premiums not covered by the Brownfields Tax Assistance Program;
- e) Existing and proposed land uses must be in conformity with applicable Official Plan(s), Zoning By-law and other planning requirements at both the local and regional level;
- f) All improvements made to properties shall be made pursuant to a building permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- g) Outstanding work orders and/or orders or requests to comply from the City must be satisfactorily addressed prior to development charge exemption;

7.4 Administration

A separate report to Council will be developed to provide further details with respect to the implementation and administration of this program, including the necessary amendments to the Development Charges By-law.

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8.0 MUNICIPAL LEADERSHIP STRATEGY

8.1 Purpose

The purpose of the Municipal Leadership Strategy is to establish a framework for the City to:

- a) provide better support and leadership on brownfield redevelopment projects;
- b) communicate to the development and business community the brownfield redevelopment opportunities in Welland and the incentive programs available under the Brownfield CIP; and,
- c) improve the image of Welland.

8.2 Municipal Actions

The public sector actions contained in the Municipal Leadership Strategy are designed to act as catalysts to leverage private sector investment on brownfield sites.

As per Sections 28(3) and 28(6) of the *Planning Act*, once a Community Improvement Project Area has been designated and a CIP is approved, a municipality may:

- a) acquire, hold, clear, grade or otherwise prepare land for community improvement;
- b) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan; and,
- c) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan.

Therefore, the City of Welland may engage in any of these activities as part of its Brownfields Municipal Leadership Strategy in order to promote the undertaking of targeted projects that are identified and approved by the City.

The Municipal Leadership Strategy includes a general program of municipal property acquisition, investment and involvement in pilot projects with the private sector to remediate and rehabilitate brownfield sites in Welland. Pilot projects can showcase the use of innovative tools such as alternative approaches to site remediation and risk management, new environmental remediation technologies, the use of environmental insurance, and/or energy efficient building technologies. The City may also issue Requests for Proposals (RFP's) on City owned brownfield sites, failed tax sale properties, and/or participate in public/private partnerships to clean up and redevelop publicly and privately owned brownfield sites.

It is recommended that the Municipal Leadership Strategy be funded from part or all of the tax increment that is retained by the City as a result of properties participating in the Brownfields Rehabilitation Grant Program, and any initial seed funding as allocated by Council. The City can then use these funds to:

- a) conduct environmental site assessments on municipally-owned properties that are potentially contaminated;

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- b) conduct environmental site assessments on properties controlled or acquired through the tax arrears sales process and conduct requests for proposals (RFPs) on failed tax sale brownfield properties;
- c) remediate, rehabilitate, reuse and improve municipally owned brownfield properties, including undertaking or participating in pilot projects to showcase innovative remediation approaches and technologies, the use of tools such as environmental insurance, and innovative energy efficiency technologies;
- d) acquire and remediate, rehabilitate, reuse and improve key privately-owned brownfield sites;
- e) fund brownfield pilot projects (public-private partnerships) to remediate, rehabilitate, reuse and improve redevelop privately and publicly owned brownfield properties;
- f) educate and inform the public about the importance of brownfield redevelopment;
- g) investigate the creation of a brownfield research centre in downtown Welland in collaboration with Niagara College and Brock University,
- h) implement a Marketing Strategy to regularly market the City's incentive programs and brownfield redevelopment opportunities available in Welland (see the Development Opportunities Summary Report, September 2006) to brownfield market makers such as property owners, developers, potential end users, and support professionals in the City, Region and outside the Region of Niagara.

Any initial seed funding and part or all of the tax increment that is retained by the City as a result of properties participating in the Rehabilitation Grant Program should be placed into a Municipal Leadership Strategy Account. This account will function as a revolving fund. The allocation of the tax increment to the Municipal Leadership Strategy Account will end when the Brownfields Rehabilitation Grant Program ends, or earlier as determined by Council. At that time, the City may return funds remaining in the Municipal Leadership Strategy Account to general revenues or continue to utilize these funds for leadership activities until the Municipal Leadership Strategy Account is exhausted.

The Municipal Leadership Strategy will also provide funding to allow the City to access brownfield feasibility study and remediation funding available from the Federation of Canadian Municipalities (FCM) Green Municipal Funds (GMF). Any municipal government in Canada or its private or public sector partners can apply for funding from the GMF. The City was successful in obtaining a grant from FCM for the preparation of this Brownfield CIP. An appropriately funded Municipal Leadership Strategy will allow the City the financial means to leverage FCM funding to help implement this Strategy and the CIP.

It is also recommended that the City establish a single point of contact (brownfield coordinator/planner role) for brownfield information and financial incentives on brownfield sites. The role of this coordinator will be to administer applications for the financial incentive applications, coordinate financial incentive applications with planning applications, and provide guidance and advice to

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developers and their support professionals involved in brownfield redevelopment. The coordinator should also take on the role of facilitator with respect to brownfield redevelopment when there are planning and/or environmental regulatory issues. This should include acting as a facilitator with the MOE on regulatory approvals and expediting City planning and environmental approvals.

8.3 Guideline for Identifying Priority Brownfield Sites and Projects

When identifying and evaluating sites for acquisition, partnering or any of the other municipal leadership actions described in this CIP, the City should be strategic in its approach. Therefore, it is recommended that the City utilize the following criteria when evaluating and selecting sites and projects for purposes of the Municipal Leadership Strategy:

- a) The site has a good or excellent location with high visibility and proximity to major transportation routes and the Welland Recreational Waterway;
- b) The site is commercially viable and marketable;
- c) The site is a “stigmatized” site, the cleanup and redevelopment of which will likely act as a catalyst for community improvement of the neighbourhood or employment area in which the site is located;
- d) The site is designated under the Ontario Heritage Act or exhibits significant heritage and architectural characteristics;
- e) The site is also in the Downtown Community Improvement Project Area;
- f) The site is surrounded in whole or in part by residential or other sensitive land uses;
- g) The site could be a “destination” site drawing large numbers of visitors/shoppers/diners and this would promote additional revitalization in the area where the site is located;
- h) The proposed project will result in the leveraging of significant private sector investment resulting in a significant increase in property tax revenues, employment and/or residential opportunities;
- i) The proposed project will showcase innovative remediation approaches, technologies, risk assessment approaches and/or Smart Growth design/building principles such as LEED building standards.

Note that a site or project does not need to meet all of these criteria to be considered eligible for acquisition, partnering, or any of the other municipal leadership actions described in this Strategy.

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9.0 MARKETING STRATEGY

9.1 Purpose

It is important to the successful implementation of this CIP that the City's incentive programs and the brownfield redevelopment opportunities available in Welland be effectively communicated to property owners, developers, potential end users, and support professionals both within and outside the city. The purpose of this Marketing Strategy is to proactively and regularly advertise and market the City's brownfield redevelopment incentive programs and publicly and privately owned brownfield redevelopment opportunities in order to help implement the Brownfield CIP. The Marketing Strategy should also help overcome any negative image that some developers and investors may have of Welland as this was identified as one of the key impediments to brownfield redevelopment in Welland. Therefore, the City should implement a comprehensive Marketing Strategy to:

- a) market its brownfield redevelopment programs and brownfield redevelopment opportunities;
- b) provide information on obtaining assistance and advice from the City;
- c) educate the public and other stakeholders on environmental site assessment and remediation processes; and,
- d) improve the image of Welland as a place to invest, do business and develop land and buildings.

9.2 Target Audiences

The Marketing Strategy should be targeted to:

- a) Brownfield market makers, i.e., the key stakeholders who cause brownfield properties to be transacted, remediated and rehabilitated, including:
 - i) owners/managers of brownfield properties in Welland;
 - ii) potential developers of brownfield properties; and,
 - iii) potential end users;
- b) Support professionals, including:
 - i) lending institutions such as banks and trust companies;
 - ii) real estate professionals and organizations;
 - iii) environmental consultants and contractors;
 - iv) legal services industry;
 - v) planning consultants and architects;
- c) The general public, in order to enhance support for the Strategy and site-specific brownfield redevelopment projects;

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9.3 Marketing Tools

The marketing of the Brownfield CIP programs should be a comprehensive multi-media campaign containing information, education and advertising components. The following key tools are recommended to implement the Marketing Strategy:

- a) Publications
 - i) A brochure containing pertinent points (as updated) from the Welland Brownfields Redevelopment Community Information Package and a description of the financial incentive programs available from the City, including general program requirements and how to apply;
 - ii) The Marketing Reports for the Top Ten Sites should be distributed to developers and investors (where the property owners agree). These Marketing Reports should be updated as required;
 - iii) The brownfield incentive programs and brownfield redevelopment success stories should be profiled in planning and economic development publications, newsletters and other publications published by the City of Welland;
 - iv) Applications for the incentive programs should be accompanied by Program Guides that provide a description of “how to apply” for the programs.
- b) Web Site Materials
 - i) The web page should be enhanced via the addition of the aforementioned brochure in pdf. format;
 - ii) The Marketing Reports for the Top Ten Sites should be added to the searchable commercial real estate listings on the web site data (where the property owners agree).
- c) Presentations to Brownfield Stakeholders and Support Professionals
 - i) The brownfield coordinator/planner or business development and planning staff should make periodic presentations on the Brownfield Strategy/CIP, available incentives programs, and brownfield success stories to industry groups such as the development community, real estate, environmental and planning consulting, finance, insurance and legal professionals. This direct face-to-face marketing tool is a very important component of the Marketing Strategy.
- d) Attendance at Brownfield Conferences

City staff and councillors should attend brownfield conferences in Canada and the United States in order to further educate themselves on brownfield redevelopment and proactively market the City’s

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brownfield redevelopment programs and opportunities utilizing the above-noted publications and materials.

e) Media Releases

Press releases and profiles of successful brownfield redevelopment projects and initiatives should be sent to local and outside media.

9.4 Key Messages

The following are the key messages that should be integrated into the above-noted publications, web site materials, presentations and media releases:

- a) Brownfields are vacant or underutilized sites that may have real or perceived contamination problems – a Phase I and II ESA should be done to determine the type and extent of soil and groundwater contamination;
- b) The impediments to brownfield redevelopment can be overcome by the use of innovative approaches to planning, remediation and the use of now available financial incentives;
- c) The cleaning up and rehabilitation of brownfields results in improvements in environmental quality, human health and economic growth;
- d) Brownfields represent a significant economic and development opportunity in Welland with most brownfield redevelopment opportunities located in close proximity to the Welland Recreational Waterway and the Downtown;
- e) Brownfield redevelopment is Smart Growth because it efficiently uses existing services and reduces urban sprawl into prime agricultural areas and its associated costs. Brownfield redevelopment will help the City of Welland and the Region of Niagara to achieve its growth management goals;
- f) Brownfield reinvestment brings economic activity to derelict and underused sites. It generates employment and increased property tax revenues for the City of Welland and the Region of Niagara;
- g) Brownfield redevelopment can revitalize blighted residential neighbourhoods and employment areas, resulting in an enhanced quality of life for the residents of Welland;
- h) The City of Welland is being proactive in encouraging reinvestment in brownfield sites by implementing brownfield supportive planning policies, offering financial incentives, implementing a municipal leadership strategy and working with developers of brownfield sites to expedite the development approvals process on these sites;
- i) The City wants to find new opportunities and partnerships to deal with brownfields and the City is looking for interest from all types of developers and entrepreneurs (big and small).

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10.0 MONITORING PROGRAM

10.1 Purpose

The purpose of the Monitoring Program is to monitor the performance and impact of the incentive programs and the Municipal Leadership Strategy and to utilize this information to make adjustments to the incentive programs and the Municipal Leadership Strategy in order to help ensure that the goals of the Brownfield CIP are successfully accomplished.

10.2 Description

Figure 4 presents a list of the variables that should be monitored by the City of Welland on an individual project and aggregate basis for the incentive programs and the Municipal Leadership Strategy. As well, the feedback received from users of the financial incentive programs should also be considered. It is important that these results of the monitoring program be utilized to help ensure that the incentive programs and the Municipal Leadership Strategy be effective as possible for both small and large brownfield projects.

From a Smart Growth perspective, the City should attempt to monitor the results of the programs in Figure 4 in terms of environmental, financial and social benefits. For example, it is important to highlight environmental and health threats that are removed through the remediation and risk management of contaminated sites. The increase in long-term property tax revenues from a brownfield redevelopment project can be compared to the total municipal financial incentive provided to the project to determine which projects are providing the highest return on investment. The cost savings associated with not having to extend public services into greenfield areas should be monitored. Increases in use of public transit and improvements in property values and social conditions in neighbourhoods where brownfield redevelopment projects are taking place should also be monitored.

Progress on implementation and the empirical results of the incentive programs and the Municipal Leadership Strategy should be reported on a regular basis (at least annually) to City Council. These monitoring results should also be used to recommend any adjustments that should be made to the terms and requirements of the financial incentive programs in order to improve these programs.

10.3 Program Adjustments

The feedback from monitoring of the CIP may lead to minor revisions to programs contained in this CIP. Therefore, the City may periodically review and adjust the terms and requirements of any of the programs contained in this Plan, or discontinue any of the programs contained in this Plan, without amendment to the Plan. Such minor changes or discontinuation of programs will be provided to the Minister of Municipal Affairs and Housing for information purposes only. Increases in funding provided by existing financial incentives or changes to eligibility criteria that would increase funding provided by existing financial incentives, the addition of any new programs to this CIP, or an expansion of the Community Improvement Project Area will require a formal amendment to the CIP in accordance with Section 28 of the *Planning Act*.

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Figure 4 Variables to be Monitored

Program	Variable
Environmental Site Assessment Grant Program	<ul style="list-style-type: none"> - Number of applications - Type of ESA (Phase II, Remedial Work Plan, or Risk Assessment) - Cost of study - Amount of Environmental Study Grant - Number of Environmental Study Grant Applications leading to Tax Assistance, Rehabilitation Grant Applications and/or actual environmental remediation and rehabilitation projects
Brownfields Tax Assistance Program	<ul style="list-style-type: none"> - Number of applications - Increase in assessed value of participating properties - Estimated and actual amount of municipal and education tax assistance provided - Hectares/acres of land remediated and redeveloped - Industrial/commercial space (sq.ft.) rehabilitated or constructed - Residential units/sq.ft. rehabilitated or constructed - \$ Value of private sector investment leveraged - Jobs created/maintained - Number of program defaults
Brownfields Rehabilitation Grant Program	<ul style="list-style-type: none"> - Number of applications - Increase in assessed value of participating properties - Increase in municipal and education property taxes of participating properties - Estimated and actual amount of tax increment financing grants provided - Hectares/acres of land remediated and redeveloped - Industrial/commercial space (sq.ft.) rehabilitated or constructed - Residential units/sq.ft. rehabilitated or constructed - \$ Value of private sector investment leveraged - Jobs created/maintained - Number of program defaults
Planning and Building Fees Refund Program	<ul style="list-style-type: none"> - Number, type and \$ value of planning application fees refunded - Number and \$ value of demolition and building permit fees refunded - Industrial/commercial space (sq.ft.) rehabilitated or constructed - Residential units/sq.ft. rehabilitated or constructed - \$ Value of building permit fees paid - \$ Value of building permits issued
Brownfields Development Charge Exemption Program	<ul style="list-style-type: none"> - Amount of Development Charges Waived - Increase in assessed value of participating properties - Increase in municipal and education property taxes of participating properties - Hectares/acres of land remediated and redeveloped - Industrial/commercial space (sq.ft.) constructed - Residential units/sq.ft. constructed - \$ Value of private sector investment leveraged - Jobs created/maintained

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Figure 4 Variables to be Monitored (Cont'd)

Program	Variable
Municipal Leadership Strategy	<ul style="list-style-type: none"> - Funding amount by project type and purpose - Amount of other government funding leveraged - Increase in municipal and education property taxes of participating properties - Estimated and actual amount of tax increment financing grants provided - Hectares/acres of land remediated and redeveloped - Industrial/commercial space (sq.ft.) rehabilitated or constructed - Residential units/sq.ft. rehabilitated or constructed - \$ Value of private sector investment leveraged - Jobs created/maintained - Number of program defaults

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APPENDIX A

City of Welland Official Plan

Community Improvement Policies

City of Welland Brownfield Community Improvement Plan

Community Improvement Policies

Goals

To strengthen the process of rehabilitating residential, commercial, industrial, heritage and recreational areas to accommodate the social, economic and environmental priorities of the City including quality of the environment, quality of life, economic competitiveness and urban vitality.

To reinforce the stability of existing residential, commercial, industrial, heritage and recreational areas.

To guide the City in setting priorities for municipal expenditure respecting community improvement projects.

To participate, wherever possible, in Federal and/or Provincial programs to facilitate community improvement.

To reconcile existing land use conflicts, minimize future land use conflicts and integrate open space systems and recreational facilities into the urban fabric.

Objectives

Community Improvement Plans may be prepared and adopted to:

1. Encourage the renovation, repair, rehabilitation, remediation, redevelopment or other improvement of lands and/or buildings;
2. Encourage the preservation, restoration, adaptive reuse and improvement of historical or architecturally significant buildings;
3. Encourage the restoration, maintenance, improvement and protection of natural habitat, parks, open space, recreational and heritage facilities and amenities, and to establish new facilities where deficiencies exist to meet the needs of the citizens of the community;
4. Encourage residential and other types of infill and intensification on lands which are already serviced with municipal services or can be readily provided with municipal services;
5. Improve and maintain the transportation network to ensure an adequate traffic flow and pedestrian circulation, and to improve the quality of, and accessibility to, parking facilities, particularly in the downtown core.
6. Maintain and improve, at an acceptable level, municipal services including the water distribution system, the sanitary and storm sewer systems, roads, sidewalks, street lighting, and to provide a safe health standard for the citizens of the community.
7. Improve and maintain the physical and aesthetic amenities of the streetscape.
8. Encourage the eventual elimination and/or relocation of incompatible land uses, and where this is not feasible, to encourage physical improvements to minimize the incompatibility.
9. Encourage, support and co-ordinate both public and private investment opportunities in the rehabilitation and improvement of property and facilities which will result in stability in the community.
10. Stabilize and/or improve the property and business tax base in commercial and industrial areas through the stimulation of private investment.

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11. Establish an atmosphere through revitalization and improvements within the downtown core which will encourage existing business and property owners to make improvements to their facilities and new business to locate in the area.
12. Encourage improvement activities which contribute to a strong economic base including commercial, industrial, recreational and tourism activity and job creation.
13. Improve environmental conditions or energy efficiency.
14. Improve social conditions.
15. Promote cultural development.
16. Facilitate and promote community economic development; and,
17. Improve community quality, safety and stability.

Selection Criteria for Community Improvement Project Areas

The City may designate by By-law Community Improvement Project Areas within the area shown on Schedule “A”.

For an area to be identified as a Community Improvement Project Area, it must satisfy at least one of the following general criteria.

General Criteria

1. The age and condition of the building stock and/or property is such that a substantial portion of the buildings, building facades and/or property is in need of maintenance, restoration, rehabilitation, or redevelopment.
2. There is a deterioration or deficiency in the levels of municipal services such as the water distribution system, the sanitary and/or storm sewer system, roadways, sidewalks, curbs, gutters, parking facilities and street lighting.
3. There is deterioration or deficiencies in the level of community and social services such as public open space, municipal parks, neighbourhood parks, indoor/outdoor recreational facilities, and public social facilities.
4. There is known or perceived environmental contamination.
5. There exists poor overall visual quality of the built environment, including, but not limited to, streetscapes and urban design.
6. There are non-conforming, conflicting, encroaching or incompatible land uses or activities which threaten to disrupt the predominant land use and lifestyle of the citizens of the area.
7. There is a demonstrated deficiency in the condition or provision of accessible parking.
8. There is a demonstrated problem or deficiency associated with the circulation and/or access of traffic.
9. There is a presence of natural, heritage, waterway and other amenities which would benefit from protection or enhancement and provide an opportunity for tourism and economic development.
10. There are vacant lots and underutilized properties and buildings which have potential for infill, redevelopment or expansion to better utilize the land base;
11. There is a shortage of land to accommodate widening of existing rights-of-way, building expansion, parking and/or loading facilities;
12. There are other barriers to the repair, rehabilitation or redevelopment of underutilized land and/or buildings; and,

City of Welland Brownfield Community Improvement Plan

13. There are other environmental, energy efficiency, social or community economic development reasons for community improvement.

As well, there are special requirements which must be met for specific areas incorporating such diverse land uses as residential, commercial or industrial. The degree to which an area meets the criteria will assist in determining its priority for funding.

Specific Criteria for Residential Areas

1. The predominant land use is residential.

Specific Criteria for Commercial Areas

1. The predominant land use of the area is commercial.
2. The area shows symptoms of economic and/or physical decline determined by a high vacancy rate, declining tax base and building conditions.
3. There is a deficiency in, or lack of, adequate streetscape amenities within a commercial area.

Specific Criteria for Industrial Areas

1. The predominant land use is industrial.
2. There are environmental problems, such as soil, groundwater and air pollution, noise and odours, which affect not only the industrial area, but those adjacent non-industrial neighbourhoods.
3. There is a general lack of space for expansion.
4. There is a deficiency in, or lack of, landscape buffering adjacent to non-industrial uses.
5. The area shows symptoms of economic and/or physical decline determined by a high vacancy rate, declining tax base and building conditions.

Designation of Community Improvement Project Areas

Priority for the designation of Community Improvement Project Areas and the preparation and adoption of Community Improvement Plans shall be given to those areas:

1. Where the greatest number of criteria for selection of Community Improvement Project Areas are present; and/or,
2. Where one or more of the criteria for selection of Community Improvement Project Areas is particularly acute; and/or,
3. Where one or more of the criteria for selection of Community Improvement Project Areas exists within the area identified on Schedule “A”.

Implementation

In order to implement Community Improvement Plans within designated Community Improvement Project Areas, Council may undertake a range of actions, including:

1. The municipal acquisition of land and/or buildings within Community Improvement Project Areas, and the subsequent;

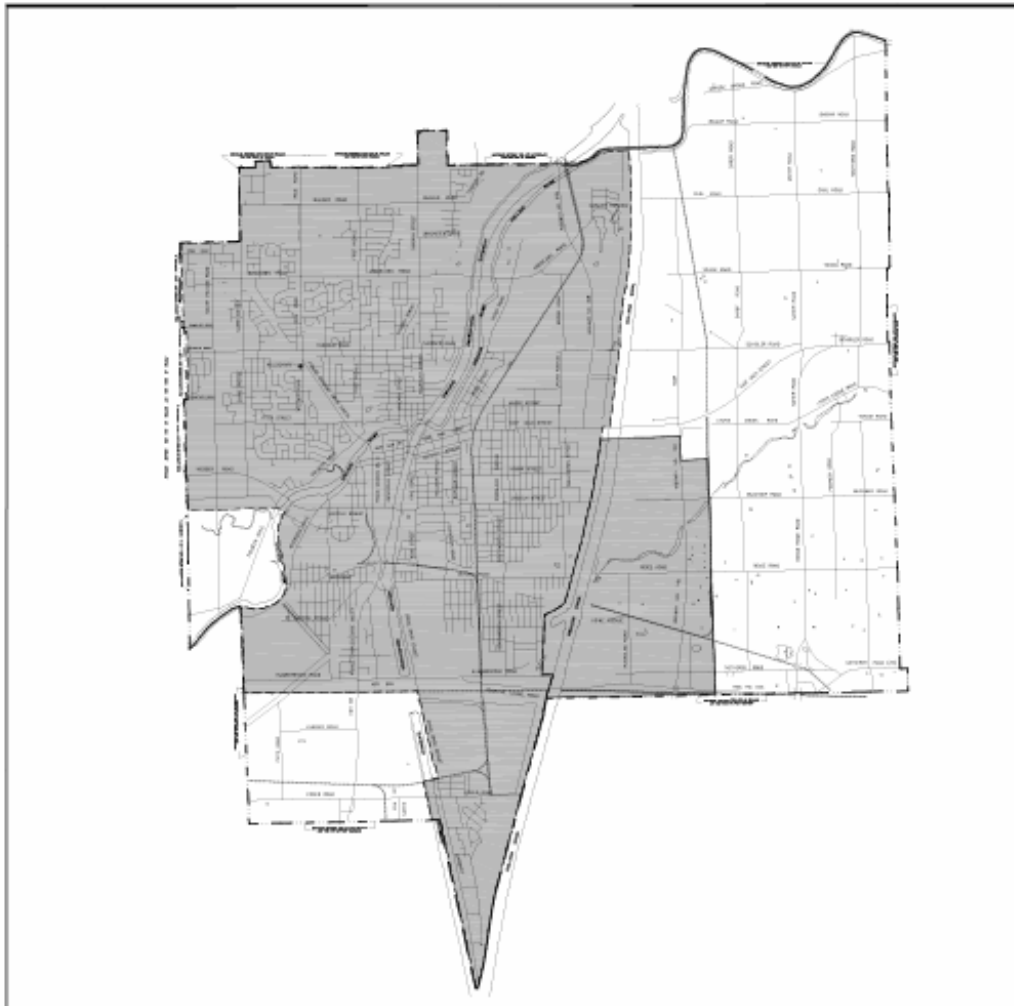
City of Welland Brownfield Community Improvement Plan

- (a) Clearance, grading, or environmental remediation of these properties;
 - (b) Repair, rehabilitation, construction or improvement of these properties;
 - (c) Sale, lease, or other disposition of these properties to any person or governmental authority;
 - (d) Other preparation of land or buildings for community improvement.
2. Provision of public funds such as grants and loans to owners of land and their assignees;
 3. Application for financial assistance from and participation in senior level government programs which provide assistance to private landowners for the purposes of community improvement;
 4. Provision of information on municipal initiatives, financial assistance programs, and other government assistance programs;
 5. Support of heritage conservation through the Ontario Heritage Act;
 6. Council shall avail itself of the implementation powers contained in Section 40 of the *Planning Act*, as amended, with respect to the provision and maintenance of parking facilities and the payment of cash-in-lieu of parking.
 7. Council shall ensure that rehabilitation and community improvement efforts initiated by the City incorporate measures to encourage energy conserving retrofit and development where practical and feasible.
 8. In co-operation with senior governments, Council may endeavour to provide energy conservation programs for use in Welland as part of the City's rehabilitation, redevelopment and neighbourhood improvement efforts.
 9. The City will consider the application of flexible land use policies within designated Community Improvement Project Areas to the extent that they complement community improvement goals and objectives.
 10. All developments participating in programs and activities contained within Community Improvement Plans shall conform with the policies contained in this Plan, the Zoning-By-law, Maintenance and Occupancy By-laws, and all other related municipal policies and by-laws.
 11. The City will continue to encourage and enforce an acceptable standard of maintenance on all property.
 12. Council shall adopt such special measures as may be necessary to implement the goals and objectives for Community Improvement.
 13. Council shall be satisfied that its participation in community improvement activities will be within the financial capabilities of the City.

Phasing of Improvements

The phasing of improvements in Community Improvement Project Areas will be determined by the degree of need and the availability of funding. It is possible that the needs of specific areas may change over time so that the City's priorities must also be flexible. Senior government programs, which may offer financial assistance for community improvement from time to time, may also dictate phasing priorities.

SCHEDULE "A" - LAND USE PLAN



SCHEDULE "A" TO AMENDMENT NO. 120 TO THE OFFICIAL PLAN FOR THE WELLAND PLANNING AREA LAND USE PLAN

NOTE: THIS SCHEDULE FORMS PART OF AMENDMENT NO.120
TO THE OFFICIAL PLAN FOR THE WELLAND PLANNING AREA
AND MUST BE READ IN CONJUNCTION WITH THE WRITTEN TEXT

 **AREA AFFECTED BY
COMMUNITY IMPROVEMENT
POLICIES**



**CITY OF WELLAND
PLANNING AND DEVELOPMENT SERVICES
PLANNING DIVISION**

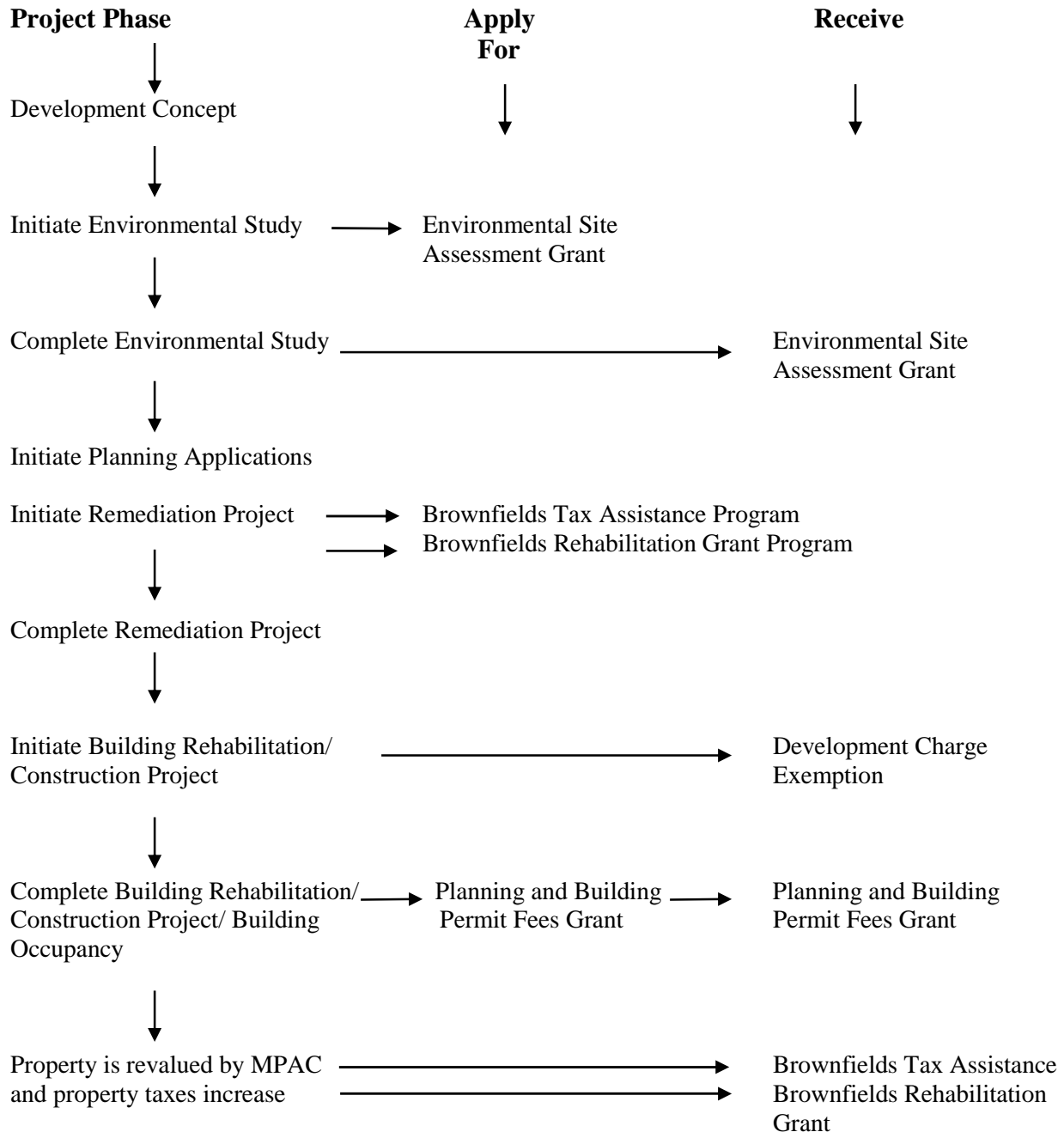
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APPENDIX B

Incentive Program Utilization on Typical Brownfield Redevelopment Project

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Incentive Program Utilization on a Brownfield Redevelopment Project



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APPENDIX C

Environmental Site Assessment (ESA) Grant Program Administration

(This appendix does not form an operative part of the Community Improvement Plan)

City of Welland Brownfield Community Improvement Plan

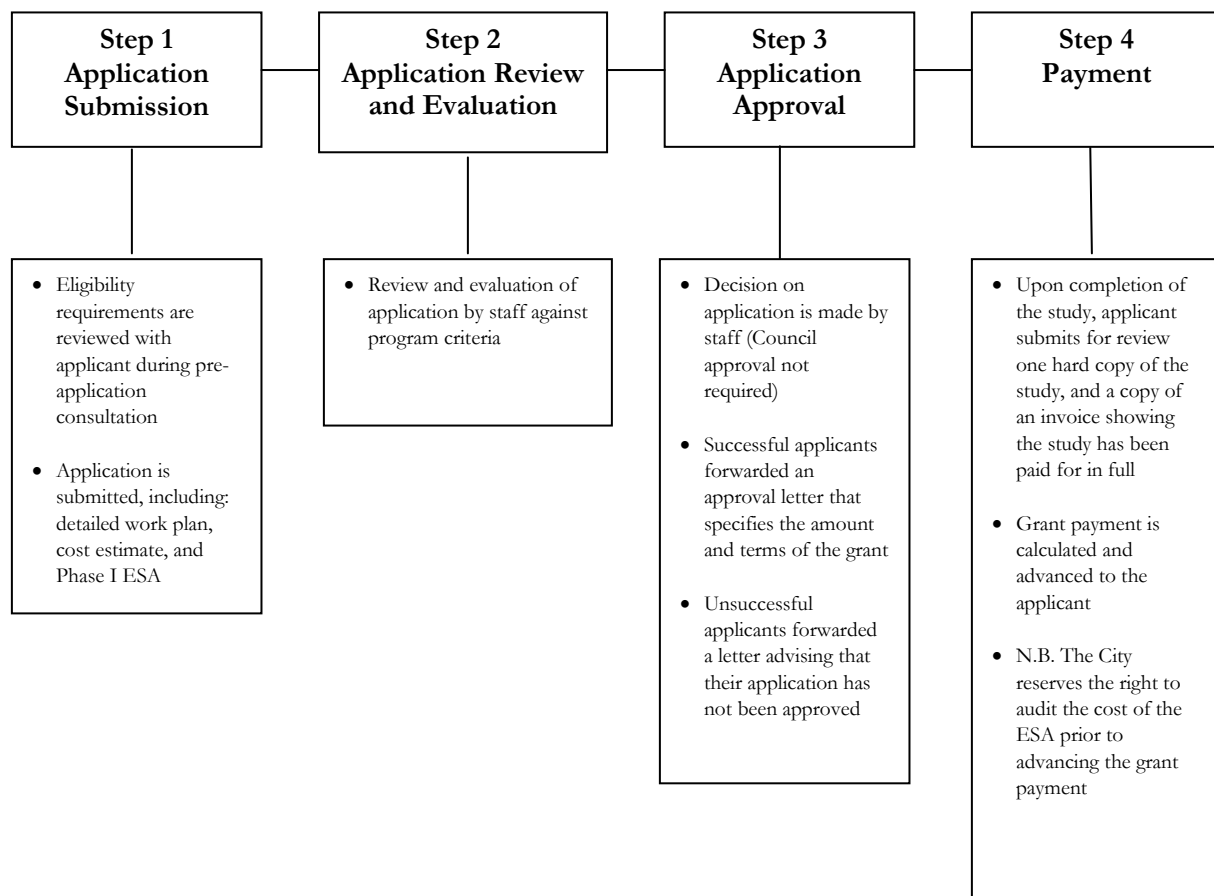
Environmental Site Assessment Grant Program Administration

Applications shall be submitted to the City and shall include a detailed work plan and budget for the required study. Applications must be accompanied by a Phase I ESA that demonstrates site contamination is likely. Program eligibility will be determined by City staff and applications will be approved by City staff only if they meet the criteria specified in this Plan and any other requirements of the City.

If an application is approved, the applicant will be sent a letter that outlines the terms and the amount of the grant. The grant amount will be based on 50% of the estimated cost of the study (excluding G.S.T) or 50% of the actual cost of the study (excluding G.S.T), whichever is less. If an application is not approved, the applicant will also be advised by letter.

Upon receipt of one hard copy of the final study report for review along with the original invoice indicating that the study consultants have been paid in full, a cheque in the amount of the approved grant will be issued to the applicant.

Figure C-1 Environmental Study Grant Program Administration



APPENDIX D

Brownfields Tax Assistance Program Administration

(This appendix does not form an operative part of the Community Improvement Plan)

City of Welland Brownfield Community Improvement Plan

Brownfields Tax Assistance Program Administration

Applicants will be required to have a pre-application consultation meeting with City staff in order to determine program eligibility, proposed scope of work, and project timing.

Applications shall be submitted to the City and shall be accompanied by a Phase II ESA and/or Remedial Work Plan and/or Risk Assessment prepared by a qualified person that identifies and details estimated eligible costs and a work plan and budget for the proposed remediation. The City may also require submission of a Business Plan.

Before accepting an application, City staff will screen the application. If the application clearly does not meet the program requirements, the application will not be accepted. Acceptance of the application by the City in no way implies approval of the tax assistance. Applications will be recommended for approval only if they meet the requirements specified in this Plan and any other requirements of the City.

The actual pre-project education and municipal property taxes and estimated post-project assessed value and applicable tax rates will be used to calculate the estimated post-project property taxes, increase in municipal property taxes, education property taxes, and the estimated maximum amount of municipal and education property tax assistance to be provided during the rehabilitation period and the development period (as defined under Section 365.1 (1) of the *Municipal Act, 2001*).

Where City staff will be recommending approval of an application for Brownfields Tax Assistance, City staff will prepare the following documents:

- a) A recommendation report to Council or Council's designate on the Brownfields Tax Assistance Program Application;
- b) a Brownfields Tax Assistance Program Agreement;
- c) a draft by-law to authorize municipal and education tax assistance under Section 365.1 of the *Municipal Act, 2001*; and
- d) an application to the Minister of Finance for matching education property tax assistance.

Items a) – c) above will be forwarded to Regional Council and Regional Council will be requested by resolution, to agree to the matching Regional tax assistance.

Once the City is in receipt of a Regional Council resolution agreeing to matching Regional tax assistance, City staff will forward this Regional Council resolution and Items a) – d) above to the Minister of Finance. Matching education property tax assistance through the Brownfield Financial Tax Incentive Program (BFTIP), or through any other replacement programs administered by the Ministry of Finance is subject to approval by the Minister of Finance. Once written approval of the by-law is received from the Minister of Finance, any conditions or restrictions specified by the Minister will be included in the by-law.

City of Welland Brownfield Community Improvement Plan

The Minister of Finance is currently prepared to authorize municipal applications for matching education property tax assistance for a maximum of three (3) years from the date of the passing of the by-law. Applications seeking matching education property tax assistance for a longer period are subject to approval of the Minister of Finance. The City and Region may continue to offer municipal tax assistance beyond the three years up to the time period specified for City and Regional tax assistance in the by-law, or when the total tax assistance provided equals the total eligible costs, whichever comes first. The matching education property tax assistance may be provided on a different schedule from the tax assistance provided by the City and the Region and may be subject to additional conditions.

The recommendation report, the Agreement (dated and signed by the property owner), and the by-law will then be forwarded to Council (or Council's designate) for consideration. Once Council (or Council's designate) approves the Tax Assistance Program Application and the Agreement, and adopts the by-law, the agreement will be executed by the authorized City officials and a copy will be provided to the property owner. A copy of the by-law, including all information prescribed by Ontario Regulation 274/04 will be forwarded to the Minister of Municipal Affairs and Housing and the Minister of Finance within 30 days of passing of the by-law by the City.

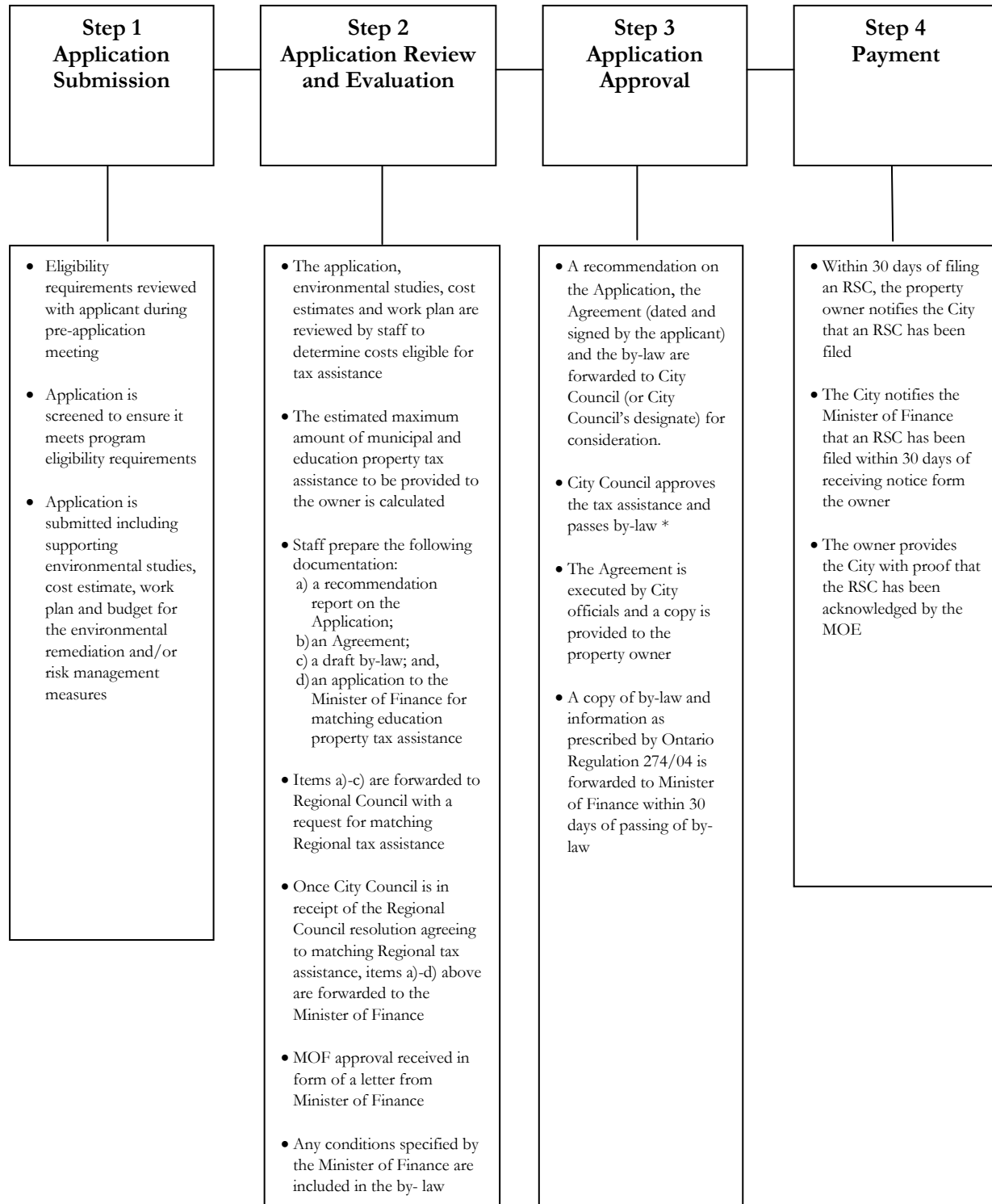
Where the Minister of Finance has approved an application for matching education property tax assistance, the municipal property tax assistance and education property tax assistance will begin when City Council passes the Minister of Finance approved by-law for tax assistance.

Once remediation of the property is complete, the property owner shall file in the Environmental Site Registry a Record of Site Condition (RSC) for the property signed by a qualified person, and the owner shall submit to the City proof that the RSC has been acknowledged by the Ministry of the Environment (MOE). The owner shall, within 30 days of filing the RSC, notify the City of the filing, and within 30 days after receiving said notice, the City shall advise the Minister of Finance of the filing of the RSC.

The Ministry of Finance's tax assistance will be given as a tax deferral followed by cancellation to the landowner when conditions are met. During the deferral and cancellation stage, the landowner would not be required to pay the education taxes that have been deferred or cancelled. The City and Region have the option of providing conditional tax assistance, which means that the tax assistance will not be provided until the landowner has first met municipal (City and Region) conditions related to the rehabilitation and development of the lands. Under a conditional tax assistance scenario, the City and Region have decided to provide no deferral, only cancellation when conditions are met. The full municipal taxes are payable and collected until these conditions have been satisfied. Once the conditions have been satisfied, the City and Region would provide the accumulated tax assistance to the landowner as identified in the by-law.

City of Welland Brownfield Community Improvement Plan

Figure D-1 Brownfields Tax Assistance Program Administration



The owner may elect to have the by-law passed after an RSC has been filed and acknowledged and the property has been redeveloped in order to maximize the total amount of municipal and education property taxes frozen over the period of time specified in the by-law.

APPENDIX E

Brownfields Rehabilitation Grant Program Administration

(This appendix does not form an operative part of the Community Improvement Plan)

City of Welland Brownfield Community Improvement Plan

Brownfields Rehabilitation Grant Program Administration

Applicants will be required to have a pre-application consultation meeting with City staff in order to determine program eligibility, proposed scope of work, and project timing.

Applications shall be submitted to the City and shall include a detailed work plan and cost estimate for the proposed eligible works. The application will be accompanied by a Phase II ESA and/or Remedial Work Plan and/or Risk Assessment prepared by a qualified person that identifies and details estimated eligible costs and a work plan and budget for the proposed remediation OR proof that an RSC for the proposed use of the property has been acknowledged by the MOE. The City may also require submission of a Business Plan.

Before accepting an application, City staff will screen the application. If the application clearly does not meet the program requirements, the application will not be accepted. Acceptance of the application by the City in no way implies approval of the grant. Applications will be recommended for approval only if they meet the requirements specified in this Plan and any other requirements of the City.

The actual pre-project municipal (City and Region) property taxes and estimated post-project assessed value and applicable tax rates will be used to calculate the estimated post-project property taxes, increase in municipal (City and Region) property taxes, and the estimated annual and total grant amount to be provided.

Where City staff will be recommending approval of an application for a Brownfields Rehabilitation Grant, City staff will prepare the following documents:

- i) a recommendation report to City Council or Council's designate; and
- ii) a Brownfields Rehabilitation Grant Program Agreement.

The recommendation report and the Agreement (dated and signed by the property owner), will then be forwarded to City Council (or Council's designate) for consideration. Once City Council (or Council's designate) approves the Application and the Agreement, the agreement will be executed by the authorized City officials and a copy will be provided to the applicant.

Once remediation of the property is complete, the property owner shall file in the Environmental Site Registry a RSC for the property signed by a qualified person, and the owner shall submit to the City proof that the RSC has been acknowledged by the Ministry of the Environment (MOE). The owner shall, within 30 days of filing the RSC, notify the City of the filing, and within 30 days after receiving said notice, the City shall advise the Minister of Finance of the filing of the RSC.

Once the project is complete, an occupancy permit has been issued, and the property has been re-valued by the Municipal Property Assessment Corporation, the property owner will be sent a new tax bill. After the property owner has paid in full the new taxes for one (1) year, the City will check to see that the property is not in tax arrears and that the property is still in conformity with the terms of the Brownfields Rehabilitation Grant Program Agreement. The City will calculate the actual tax increment and grant payment. The City will then issue payment of the grant in the form of a cheque in the amount specified as per the calculation of the actual grant payment.

City of Welland Brownfield Community Improvement Plan

Figure E-1 Rehabilitation Grant Program Administration

