



FINANCIAL INCENTIVE PROGRAM

FOR

COMMERCIAL and

HIGH-DENSITY RESIDENTIAL

DEVELOPMENT

1. PROGRAM DESCRIPTION

The Financial Incentive Program grants will focus on accelerating commercial and high-density residential development in the municipality's strategic growth areas. The Financial Incentive Program grants consist of a **Tax Increment Based Grant Program** and a **Building Permit and Development Charge Equivalent Grant Program**. It is anticipated that these grants will act as a catalyst for increased development activities in the municipality, which will in turn attract further businesses, residents and employment. Property owners that promote private sector investment, development, redevelopment and construction activity are eligible to participate in these incentive programs. The description, criteria, and application process for these programs are outlined in the following pages.

1.1 Tax Increment Based Grant Program

This program provides an incremental tax grant to completed projects within the Village of Rexton based on the project's economic and environmental design performance. Successful applicants will receive a tax rate rebate of a percentage of the post-project values, for a period of 5 years. Savings resulting from this program can be significant

1.2 Building Permit and Development Charge Equivalent Grant Program

This program recognizes exceptional projects - those having value in excess of \$1M- and provides relief from development charges for those projects.

2. PROGRAM CRITERIA

General Conditions

- 2.1 The property must be located within the municipality in an appropriate commercial or high-density residential zone as shown in Schedule "B", Please refer to Rexton Zoning By-Law for provisions.
- 2.2 The property owner is registered as a Corporation under the Business Corporation Act.
- 2.3 The subject property shall not be in a position of tax arrears. All taxes owing shall be paid prior to the disbursement of any fee related grant.
- 2.4 Approved grants are not transferable. Only the original applicant will be eligible to receive subsequent grants provided ownership continues.
- 2.5 Eligible Financial Incentive Program Grant Projects must represent one of following types of projects:
 - a) Infill and redevelopment of large surface parking lots, vacant under-utilized sites, and buildings;
 - b) Redevelopment of properties which involves the demolition of commercial, residential or industrial buildings
 - c) Undeveloped land
 - d) High-density residential projects greater than 10 units per acre.
- 2.6 Development must significantly improve or enhance the value of the property.

2.7 Any property owner wishing to be considered for a grant under the Financial Incentive Program must complete and submit an Application Form to the General Manager prior to the commencement of any works and prior to application for building permit.

Tax Increment Based Grant Program

2.8 With the Tax Increment Based Grant Program, the maximum grant paid out by the program each year for a specific project cannot exceed the annual contribution made to the Capital Improvement Fund for that project.

2.9 Before any grant is provided to the applicant for a property for which a satisfactory grant application has been received and approved, the project has to be completed and property taxes are required to have been paid as billed each year and, the property shall be in compliance with the program's requirements and conditions.

2.10 Actual costs for any or all of the eligible items may be subject to independent audit at the expense of the property owner (i.e. where the Municipality requires an audit, criteria will be established).

Building Permit and Development Charge Equivalent Grant Program

2.11 Any property owner wishing to be considered for a grant under the Building Permit and Development Charge Equivalent Grant Program must complete and submit an Application Form to the Municipality prior to the commencement of any works.

2.12 Applicants must pay for development fees in entirety prior to undertaking the work for which a satisfactory grant application has been received and approved. A grant for the full amount of the building permit fee will be provided to the applicant once the approved work is complete, to the Municipality's satisfaction. Only fees paid for the following types of applications are eligible:

- a) Development Permit and Building Permit;
- b) Rezoning Fee for a Municipal Plan and Zoning By-law Amendment;
- c) Variance and other Planning Advisory Committee (PAC) Applications; and/or
- d) Demolition Permit.

Other Conditions

2.13 The applicant will be required to enter into an Agreement with the Municipality that sets out the conditions of the annual grant.

2.14 The proposed development will commence no longer than 2 years following Municipal Council's approval of the grant or the grant will be cancelled. The 2 year period may be extended by Municipal Council at its absolute discretion.

2.15 The first grant payment will be made to the developer any time after the 1st of July of the following year of the final inspection, when the owner provides proof that property taxes have been paid.

3. GRANT APPLICATION REVIEW AND APPROVAL

3.1 The Municipality's General Manager will administer the Community Improvement Plan Financial Incentive Program. All applications will be evaluated by an internal review committee comprised of staff and Council representatives. This group will be responsible for providing recommendations for Council's approval based on the program requirements specified in the Municipal Community Improvement Plan.

3.2 Applications are filed utilizing the Financial Program Grant Application Form outlined in Schedule "A".

3.3 Eligible Funding Projects must be located within the appropriate Commercial or High-Density residential zones as shown on Schedule "B". Please refer to Rexton Zoning By-Law for provisions.

Schedule "A"**FINANCIAL INCENTIVE PROGRAM
GRANT APPLICATION FORM****SECTION A: APPLICATION TYPE**

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

- TAX INCREMENT BASED GRANT
- BUILDING PERMIT AND PLANNING FEE EQUIVALENT GRANT

SECTION B: GENERAL INFORMATION AND INSTRUCTIONS

1) An application for the Financial Incentive Program Grant must be submitted to the General Manager prior to the commencement of any works

and prior to application for building permit;

2) Such application shall include reports, plans, estimates, contracts and other details as may be required to satisfy the Municipality with respect to the eligible costs of the project and conformity of the project with the Rexton Community Improvement Plan;

3) As a condition of the grant application, the Municipality may require the applicant to submit a Business Plan, with said Plan to the Municipality's satisfaction;

4) The property shall be redeveloped such that the amount of work undertaken result in a significant increase in the assessed value of the property within the designated commercial zones;

6) Calculation of the grant is based on a formula-based system described in Appendix "A"

7) Actual costs for any or all of the items may be subject to audit by the Municipality, at the expense of the property owner;

8) All property owners participating in this program will be required to enter into an agreement with the Municipality which will specify the terms and conditions of the grant; and

9) All grant applications and agreements must be approved by Municipal Council.

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

SECTION C: PROPERTY OWNER & APPLICANT / AGENT INFORMATION

Property Owner Information

Name of Registered Property Owner _____

Mailing Address of Property Owner _____

Phone: _____ Fax: _____

Email: _____

Applicant / Agent Information

Name of Agent _____

Mailing Address _____

Phone: _____ Fax: _____

Email: _____

SECTION D: PROPERTY INFORMATION

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

Property Identification Number(s) (PID)

Legal Description of Property (Lot and Plan Numbers)

Existing Use

Are there Existing Buildings on Site?

Yes ____ (if yes provide size below)

No ____

Building 1 _____sq. ft.

Building 2 _____ sq. ft.

(Please list any additional buildings on separate sheet)

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

SECTION E: PROPERTY TAX INFORMATION

Current Property Taxes paid annually \$ _____

Estimated Property Taxes Paid annually after redevelopment \$ _____

Is this property in tax arrears? Yes ____ No ____

If yes, specify value of tax arrears \$ _____

SECTION H: SWORN DECLARATIONS

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

I/WE HEREBY AGREE to abide by the terms and conditions of the Financial Incentive Program Grant as specified in this application within the Municipality of

I/WE HEREBY AGREE to enter into a Financial Incentive Program Agreement with the Municipality of Rexton that specifies the terms and conditions of the grant.

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

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

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

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

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

Name of Owner or Authorized Agent

Title

Signature of Owner or Authorized Agent

Contact Information

General Manager, Shane Thomson

506-523-1382

shane@villageofrexford.com

82 Main St., Rexton, NB. E4W 5N4

Appendix A

TAX BASED INCREMENT GRANT FORMULA

The grant amount will be determined by calculating the Grant Base which will be paid to the developer on a declining scale over the terms of the agreement.

Grant Base amount formula=

Cost of Construction X (% of commercial building X 0.0207 + % of residential X 0.0138)

Example:

Grant Calculation for Projects	
Assessed value of project	\$2,000000
Municipal Tax Portion	X .02075
Grant Duration in years	5
Incremental Village Taxes	\$41,500
Grant Base Amount	\$41,400

CIP Fund Grant- portion of increased property taxes being re-directed to Community Improvement Fund

Year	% of Grant	Grant Amount	New Tax \$ to Village
Year 1	90%	\$37,260	\$4240
Year 2	80%	\$33,120	\$8380
Year 3	60%	\$24,840	\$16,660
Year 4	40%	\$16,560	\$24,940
Year 5	20%	\$8280	\$33,320
TOTAL		\$120,060	\$87,400

Schedule "B"

