

Brownfield Financial Incentive Program

PART OF KITCHENER'S EDGE PROGRAM



What is a Brownfield?

Brownfields are properties previously used for industrial or commercial purposes where expansion or redevelopment is complicated by environmental contamination. Consequently, these properties often remain underutilized or dormant from a land use perspective.

As a result of the surge in industry in the early 1900's, Kitchener is now left with a number of brownfield sites that will require remediation. Rather than seeing these as blights, Kitchener city council sees the great potential they offer. Many are located on major streets that are fully serviced and they often come with architecturally and historically significant buildings. They allow the city to refocus growth in the core, and balance the demand for expansion in the suburbs. To encourage growth and prosperity in areas where only vacant or under-utilized lands are available for development or reurbanization – particularly in Kitchener's downtown core – the city has developed the Brownfield Remediation Program.

Kitchener's Kaufman Lofts showcase an adaptive reuse of an existing brownfield site in the heart of downtown Kitchener. This factory redevelopment required special attention as both a brownfield site and a designated heritage building. The creation of 270 loft units brought new life into the area while preserving the heritage building.

- The Kaufman Lofts was the winner of the 2005 National Brownfield "Brownie" Award for Best Overall Project.
- A City of Kitchener staff representative was on hand to guide the development through project approvals.
- The city rebated all planning and building permit fees.
- The city and region waived all development charges.

Joint Tax Increment Grant

Currently available in Kitchener, Joint Tax Increment Grants (TIGs) allow developers to recoup some or all of the remediation costs associated with brownfield projects after the sites have been remediated and redeveloped.

How much can I receive?

Funding is 100 percent of the difference between the Regional and Area Municipal portion of property taxes prior to and after redevelopment, less any previous brownfield financial assistance received for the site.



Economic Development, City of Kitchener
200 King St. W., PO Box 1118
Kitchener, ON N2G 4G7
www.downtownkitchener.ca



DISCOVER KITCHENER'S EDGE
EDGE is a series of programs intended to facilitate reurbanization of developed areas of the city, by stimulating private sector investment in the re-use of vacant and underutilized lands.

Brownfield Financial Incentive Program

PART OF KITCHENER'S EDGE PROGRAM



What are the eligibility requirements?

- An eligible site must qualify as a brownfield and be located within the designated Community Improvement Project Area where the joint TIG program has been implemented.
- The applicant must be the registered owner of the site or the owner's assignee.
- The applicant/owner cannot be responsible for causing the site contamination that requires remediation.
- The remediation and redevelopment must result in an increased property assessment value of at least \$100,000.
- Phase I and II Environmental Site Assessments (ESAs)
- The redevelopment site plan must meet policy and should, where possible and feasible, comply with applicable design guidelines.
- Sites in property tax arrears are not eligible.

What is the process and estimated timeline from application to approval of the grant?

1. Complete Phase I and Phase II ESAs.
2. Contact area municipality for an application prior to the issuance of a building permit.
3. Complete and submit TIG program application with supporting documentation.
4. TIG committee, region and area municipality review the application to determine eligibility. (One month)
5. Pre-remediation and redevelopment assessment property values from MPAC are obtained for eligible applications, and the amount of annual TIG payments and the payment schedule are estimated (regional and area municipal portions) and sent to the respective TIG Committee for review and council recommendation.
6. TIG application submitted to respective council for review and decision.
7. If both TIG portions are approved, a Tri-Partite Legal Agreement is drafted outlining the terms and conditions of the estimated TIG, estimated annual TIG payments and estimated total TIG funding.
8. Proceed with site remediation work and upon completion, file a record of site condition (RSC) with the Ministry of the Environment.
9. Obtain building permits and other required permits and commence development.
10. Complete redevelopment, final inspections and property assessment by MPAC to receive new tax notice.
11. Actual annual and total TIG are established into the Tri-Partite Legal Agreement and finalized.
12. After the current property owner has paid the taxes in full for one-year, the first annual payment of the TIG is issued.

Estimated review and decision time: Six months



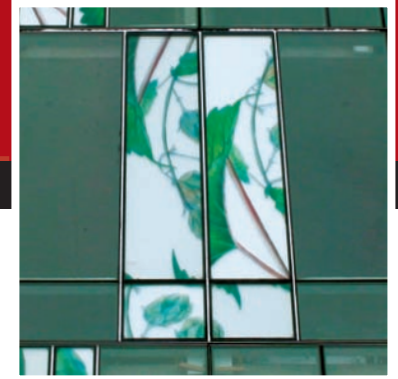
Economic Development, City of Kitchener
200 King St. W., PO Box 1118
Kitchener, ON N2G 4G7
www.downtownkitchener.ca



DISCOVER KITCHENER'S EDGE
EDGE is a series of programs intended to facilitate reurbanization of developed areas of the city, by stimulating private sector investment in the re-use of vacant and underutilized lands.

Brownfield Financial Incentive Program

PART OF KITCHENER'S EDGE PROGRAM



What brownfield redevelopment costs are eligible?

- Phase I ESAs;
- Phase II ESAs (only for the portion not already funded);
- Environmental remediation work identified in a remediation work plan, excluding work completed 12 months prior to application filing (i.e. remedial work plans, site specific risk assessments, environmental rehabilitation, disposal of contaminated soil, placing of clean fill and grading, building demolition related to remediation, etc.)
- Indirect remediation costs to a maximum of 10 percent of eligible direct remediation costs (i.e. planning or legal fees, financing costs associated with remediation, insurance premiums, assessment estimates, preparation of the Record of Site Condition. [RSC] etc.)

What documents are required with an application?

May include, but not limited to:

- Phase I and II ESAs confirming contamination;
- Estimates for costs of rehabilitating the property to permit filing of RSC and completion of an RSC;
- Remedial work plan and/or risk assessment which includes work plan and cost estimates to reduce the concentration of contamination; and
- Estimates of the costs of complying with any certificate of property use issued under the EPA, and cost estimates for any proposed building conversion or rehabilitation proposal.

All applicants are encouraged to discuss their project with the Region and Area Municipality to ensure that anticipated timelines may be met.

The Region of Waterloo's Brownfield Financial Incentives Program offers financial assistance through the development process and can be used to complement existing programs and supports available in each of the area municipalities.

For more information on brownfield redevelopment or additional assistance available in Waterloo Region, visit www.region.waterloo.on.ca/brownfields.

For more information contact:

Terry Boutilier, MCIP, RPP
Brownfield Co-ordinator
City of Kitchener
519.741.2303
terry.boutilier@kitchener.ca



Economic Development, City of Kitchener
200 King St. W., PO Box 1118
Kitchener, ON N2G 4G7
www.downtownkitchener.ca



DISCOVER KITCHENER'S EDGE
EDGE is a series of programs intended to facilitate reurbanization of developed areas of the city, by stimulating private sector investment in the re-use of vacant and underutilized lands.