



POLICY

Finance

Policy #: 700.40

Issue Date: June 18, 2024

Revision Date: June 18, 2024

INDUSTRIAL DEVELOPMENT CHARGE GRANT PROGRAM

1. POLICY STATEMENT

The City of Niagara Falls is committed to investing in employment and jobs.

2. PURPOSE

The purpose of this policy is to ensure continuity of the City's existing industrial use development charge (DC) exemptions, as outlined in the City's 2019 DC Background Study.

3. SCOPE

This policy applies to industrial development applications.

This policy is in force commencing on the date at which the 2019 DC By-Law (By-Law 2019-69) is repealed and will remain in force until the expiry of the 2024 DC By-Law or until the City revises/cancels the program, whichever is sooner.

4. DEFINITIONS

"Industrial use" means land, buildings or structures used for or in connection with manufacturing by:

- (a) Manufacturing, producing, processing, storing, or distributing something;
- (b) Research or development in connection with manufacturing, producing or processing something
- (c) Retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place
- (d) Office or administrative purposes if they are:
 - (i) Carried out with respect to manufacturing, producing, processing, storage or distributing of something and
 - (ii) In or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution

5. OBJECTIVES

The goals and objectives of this policy are to:

- Maintain the incentives currently provided for in the 2019 Development Charges By-Law, post by-law repeal.
- Provide clarity on the industrial DC exemption incentives offered by the City so that industry stakeholders interested in taking advantage of these incentives can do so efficiently.

6. GUIDING PRINCIPLES

6.1 Development Charges Exemption

Section 4(1) to (3) of the Development Charges Act currently provides for a full statutory exemption of development charges for the expansion of an existing industrial building, provided that the gross floor area is enlarged by 50% or less. If the gross floor area is enlarged by more than 50%, the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

1. Determine the amount by which the enlargement exceeds 50% of the gross floor area before the enlargement.
2. Divide the amount determined under paragraph 1 above by the amount of the enlargement.

For any new industrial developments which are not exempt from DC's as well as any industrial expansions that are enlarged by more than 50%, the City will provide for a full exemption of any net DC's payable, provided that all of the following conditions are met:

- a) Submission of a signed, completed application for an exemption of development charges at the time of initial application or within 90 days of building permit issuance (if sufficient information about business occupying the space is not known at application).
- b) The City is satisfied with the proof that the development will or is being used for industrial use as per the definition contained within this policy.
- c) The applicant does not have any property tax in arrears or any other arrears or charges by the City, Region, or the Province of Ontario.

6.2 Capping

The total amount of annual exemptions provided under this policy will not be capped at a specific total amount, at this time. However, the City will monitor the exemptions provided for under this program annually and may consider a cap on the total exemptions provided, on a first come first served basis in the future.

6.3 Collections

The purpose of this policy is to provide an exemption for qualifying industrial uses. At the time of building permit, the businesses occupying the space may not be known. As such, the City could require that DCs be collected at time of building permit issuance and a DC grant be provided once it can be demonstrated that an eligible industrial use has occupied the space.

If a grant application is approved and industrial use is confirmed, the grant amount may be deducted at the time of building permit issuance, or DCs paid may be refunded upon approval of the application if it is submitted within 90 days of building permit issuance.

An agreement between the applicant and the City will be signed upon application approval. This agreement will be authorized by the Treasurer. The agreement will allow the City to collect DCs should the Municipal Property Assessment Corporation (MPAC) assessment not primarily be industrial. In the event this happens, the owner must remit the difference in DCs to the municipality within 90 days of the dispute. If the owner fails to do so, the amount shall be added to the assessment roll and will be collected through taxes as provided for in section 32 (1) of the Development Charges Act.

7. RESPONSIBILITIES

7.1 Planning Division

The Planning Division is responsible for:

- Evaluating eligibility of applications and determining if the DC exemption should apply

7.2 Finance Department

The Finance Department is responsible for:

- Confirming DC exemption calculation
- Verifying DC exemption program cap (if applicable)