

# Procedure



## 2021 Edmonton Economic Recovery Construction Grant Incentive Policy Procedure

This procedure falls under C625 2021 Edmonton Economic Recovery Construction Grant Incentive Policy

<b>Program Impacted</b>	Economic Development <i>Edmonton has a diverse and prosperous economy that thrives locally and globally.</i>
<b>Approved By</b>	City Manager
<b>Date of Approval</b>	March 4, 2021
<b>Approval History</b>	N/A
<b>Next Scheduled Review</b>	February 2022

### 1. PURPOSE

1.1 This Procedure is intended to guide the administration of the 2021 Edmonton Economic Recovery Construction Grant Incentive Policy, including the application process and criteria to qualify for the Grant.

1.2 This Procedure should be read in conjunction with the [Program Guide](#).

### 2. DEFINITIONS

2.1 In this Procedure:

2.1.1 "Act" means the *Municipal Government Act*, RSA 2000 Chap M-26.

2.1.2 "Applicant" means the Owner that is applying for the Grant.

2.1.3 "Commencement of Construction" means:

i) the start of demolition or renovation for a Project that is replacing or retrofitting an improvement; or

- ii) the start of the construction of a new improvement for Projects that are being constructed on bare land, or for Projects where the demolition of a structure took place prior to 2021.
- 2.1.4 “Construction Costs” means the actual costs of erecting a new improvement. Costs shall not include the value of the land, costs relating to demolition of property, and the costs to plan the development.
- 2.1.5 “Grant” means a grant established pursuant to City of Edmonton Policy C625.
- 2.1.6 “Grant Funding Agreement” means an Agreement between the City and the Owners outlining the terms of any grant funding under Policy C625.
- 2.1.7 “Owner” means any individual or corporation that is listed as an owner of the Project on title.
- 2.1.8 “Program Guide” means the 2021 Edmonton Economic Recovery Construction Grant Program Guide that was originally provided to City Council on January 25, 2021.
- 2.1.9 “Program Team” means a cross departmental team made up of members of the Assessment and Taxation, Development Services, Financial Services, and Economic Investment Services branches.
- 2.1.10 “Project” means the property or properties that are under development and are the subject matter of an application.
- 2.1.11 “Municipal Property Taxes” means municipal property taxes and community revitalization levies charged in accordance with Part 10 of the Act, but does not include any provincial education taxes or requisitions.

### 3. ELIGIBILITY REQUIREMENTS

3.1 An Applicant owning a Project that is proposed for development that meets the following criteria shall be eligible to apply for the Grant:

- The Project must be located within the boundaries identified in Schedule “A” of the Program Guide.
- The Project must relate to the development or redevelopment of a property. This can include both new construction or significant renovation or retrofit.

- An Applicant will be required to provide documentation showing the anticipated or actual Construction Costs.
- The Applicant must anticipate spending at least \$10 million dollars on the Construction Costs.
- The Applicant must create at least 50 new housing units within the Project. A housing unit would be a “Dwelling” as currently defined in the Edmonton Zoning Bylaw.
- An Owner must demonstrate proof that the Commencement of Construction will occur in 2021.
- Applicants must demonstrate that they have approved development permits for the Project.
- An Applicant would need to declare financial need and certify that the program changed their development decision to proceed with the Project in 2021.
- Construction on the Project must be complete within 4 years of commencement or such other time as is agreed to by the City.
- Grants shall not be approved for any governmental entities, or any Owner that is building a Project that will be exempt from Municipal Property Taxes once complete.
- Properties that have taken advantage of other development incentive grant Projects like the Development Incentive Program, and the Brownfield Redevelopment Grant Program will not be eligible for this Grant.

3.2 An Application shall be refused if there is a dispute with the Owner about whether the Owner is abiding by the terms of any other grant of financial assistance that the Owner has received from any level of government.

#### 4. APPLICATION REQUIREMENTS

4.1 An Applicant must apply during the 2021 calendar year by filling in an application made available by the City of Edmonton.

4.2 The Applicant shall require the following information to be provided:

- The Applicant’s name and the names of all Owners of the Project;
- Contact information for the Applicant;
- The Project location;
- Details about development permits for the Project;
- Details about building permits for the Project or the anticipated timeline for obtaining building permits;
- The date that the Commencement of Construction is likely to take place;
- The date construction for the Project is anticipated to be completed;

- A declaration and explanation as to why the Project would not have proceeded had a Grant not been available; and
- An impact statement outlining:
  - the anticipated Construction Costs including documentation on the amount of the cost;
  - the projected number of construction jobs that will be created;
  - the contractors involved in the Project;
  - the number of new residential housing units that will be created and the square footage;
  - The square footage of any retail commercial area;
  - Any relevant social aspects including GBA Plus, relevant contributions or support of downtown vibrancy projects, community amenity contributions, affordable housing, or environmental considerations and how these considerations support the Project.

4.3 While not all Owners of the Project shall be required to apply, where there are multiple Owners of the Project, confirmation that all Owners know about, and agree with, the application for the Grant is required.

4.4 In addition to the application requirements, if it is determined that additional information is required from the Applicant, The Program Team, in its sole discretion, may require the Applicant to provide whatever additional information is required to make a decision about the Grant.

## 5. CONDITIONAL GRANT APPROVAL

5.1 Once an application is complete the Program Team shall decide whether to conditionally approve the Project to enter into a Grant Funding Agreement.

5.2 A Grant may be conditionally approved if, based on the information available to the City:

- The Application has been fully completed and an adequate impact statement has been provided;
- The Project meets all eligibility requirements;
- There are no tax arrears associated with the Project;
- There are no development compliance issues or safety code issues associated with the Project;
- The Owners of the Project are not involved in any significant litigation with the City either directly, or indirectly through a related corporate entity;
- The Owners of the Project are not significantly indebted to the City either directly, or indirectly through a related corporate entity;
- The Owners of the Project are not involved in any litigation relating to the Project including foreclosures or builders liens;
- The Owners of the Project are not, and are not related to any entity, that is in bankruptcy or receivership;

- The Owners of the Project are not associated with any properties that are the subject matter of foreclosures;
- There are no disputes about whether the Owners are abiding by the terms of any other grants provided by an order of government; and
- The Owners of the Project have not received another form of grant or other financial assistance that has the effect of cancelling taxation or providing an incentive to build such as the Brownfield Grant Program, or the Development Incentive Grant Program.

5.3 A Conditional Grant approval will only be approved, if in the opinion of the Branch Manager of Financial Services, or their delegate, there is sufficient funding approved by Council to pay for all Grants approved under Policy C625.

## 6. GRANT FUNDING AGREEMENT

6.1 The submission of an application, a conditional Grant approval, or meeting all the eligibility requirements for the Grant does not require or commit the City to entering into a Grant Funding Agreement or the payment of any Grant. The City reserves the right, in its sole and unfettered discretion, to accept, reject, or modify any Grant request, or approve any Grant with conditions.

6.2 A Grant Funding Agreement may be signed by Branch Manager of Economic Investment Services, in conjunction with Branch Manager, Development Services, on behalf of the City.

6.3 Grant Funding Agreements shall be executed on a first come-first served basis. A Grant Funding Agreement shall not be approved if in the opinion of the Branch Manager of Financial Services, or their delegate, there is not sufficient money set aside in the budget approved by City Council to cover the likely Grants that would have to be paid under all Grant Funding Agreements approved under Policy C625.

6.3 Prior to executing a Grant Funding Agreement, the form of the Grant Funding Agreement shall be approved by Legal Services.

6.4 No Grant Funding Agreements shall be executed after December 31, 2021.

6.5 A Grant Funding Agreement must be signed by all Owners of a Project.

6.6 The Grant Funding Agreement shall contain the following:

- A term that the Grant Funding Agreement shall be conditional upon the issuance of building permits for the Project and that the failure to obtain a building permit shall void the Grant Funding Agreement;
- A term that the Grant Funding Agreement is conditional upon all conditions of any development permit being fulfilled. The failure to fulfill these conditions shall void the Grant Funding Agreement;
- A condition that the Commencement of Construction must be in 2021 and the Project must be complete within 4 years, or such other time as approved by the City. A failure to commence construction in 2021 means that no Grants will be paid and voids the Grant Funding Agreement;
- A term that all future Grants will cease in the following circumstances:
  - The Applicant goes bankrupt or enters into receivership;
  - The property on which the Project is located is the subject of foreclosure proceedings;
  - The Applicant is found to have been dishonest in the application process;
  - Construction ends on the Project before construction is completed. Temporary pauses in construction will be allowable; and
  - A failure to cooperate with an audit.
- A term that the payment of Grants may be audited at any time up to 6 years after a Grant has been paid and the Owners have the responsibility to cooperate with this audit. A failure to co-operate with an audit will mean that no additional Grant payments will be made and prior Grant payments may be required to be repaid;
- A term that outlines how Grants shall be calculated and paid as outlined in the *Program Guide*;
- A term that a caveat may be placed on the property to ensure security for the City in the event that repayment of any Grants may be required;
- A term that requires the repayment of all Grants that have been paid to the Owners for the Project in the following circumstances:
  - Construction on the Project has ceased and the Project shall not be completed within the timelines outlined with the Grant Funding Agreement;
  - Construction on the Project has ceased as a result of bankruptcy, foreclosure, receivership, or some other legal proceeding;
  - The Applicant is found to have been dishonest in the application process;
  - The Project is not complete within the time outlined within the Grant Funding Agreement;
  - Construction ends on the Project before construction is completed. Temporary pauses in construction will be allowable;

- A term or condition of the Grant Funding Agreement has been breached; and
  - A failure to cooperate with an audit.
- A term that indicates that Grants shall not be paid for any portion of a property that has become exempt from Municipal Property Taxes. If a grant is paid on a portion of the property that is later determined to be exempt that grant will have to be repaid;
  - A term that indicates that where a property is condominiumized and condominium units are being sold to the end user of the property, that Grants shall no longer be payable on the portion of the property that sold and future Grant payments may be adjusted to reflect a reduction for the portion of the property that has been sold. Whether there is new ownership will be based on the owners at the time the tax notice is issued; and
  - A term that outlines how and when a Grant Funding Agreement may be transferred.

## 7.0 ANNUAL REVIEW

7.1 In any year, prior to the payment of the Grant the Project Team shall ensure that the Project continues to meet the criteria to receive the Grant under Policy C625, the Program Guide, and the Grant Funding Agreement. If there is a concern that the Project no longer meets the terms and conditions, the Project Team will inform the branch managers for a decision on how to proceed.

## 8.0 CALCULATION AND PAYMENT OF THE GRANT

8.1 The amount of the Grant shall be confirmed by the Branch Manager, Assessment and Taxation, based on the formulas to calculate the Grant in the Program Guide.

8.2 Upon annual approval and calculation of the Grant, payment shall be issued to the Applicant or another Owner of the Project as designated by the Applicant.

## 9.0 REPORTING

9.1 The City shall report data about the program, including the number and amounts of the Grants provided to City Council on an annual basis.

## 10. RESPONSIBILITIES

### 10.1. DEPUTY CITY MANAGER OF URBAN FORM AND CORPORATE STRATEGIC DEVELOPMENT:

10.1.1. In conjunction with the Deputy City Manager of Financial and Corporates Services, oversees the Program, including but not limited to the evaluation of the Program and the financial support awards.

### 10.2. DEPUTY CITY MANAGER OF FINANCIAL AND CORPORATE SERVICES:

10.2.1 In conjunction with the Deputy City Manager of Urban Form and Corporate Strategic Development, oversees the Program, including but not limited to the evaluation of the Program and the financial support awards.

### 10.3. BRANCH MANAGER OF ASSESSMENT AND TAXATION

10.3.1 Designates branch members to be on the Program Team.

10.3.2 In conjunction with the Branch Managers of Development Services, and Economic Investment Services approves and makes changes to detailed application requirements as necessary.

10.3.3 Calculates and confirms annual Grant awards.

### 10.4. BRANCH MANAGER OF ECONOMIC INVESTMENT SERVICES

10.4.1 Designates branch members to be on the Program Team.

10.4.2 In conjunction with the Branch Managers of Development Services and Assessment and Taxation, approves and makes changes to detailed application requirements as necessary.

10.4.3 Consults with the Branch Manager of Financial Services to ensure that there is sufficient funding budgeted for the Grant prior to the execution of a Grant Funding Agreement.

10.4.4 In conjunction with the Branch Manager of Development Services, executes Grant Funding Agreements with the Owners of the Project.

10.4.5 Decides which Projects should undergo a spot audit.

### 10.5 BRANCH MANAGER OF DEVELOPMENTAL SERVICES

10.5.1 Designates branch members to be on the Program Team.

10.5.2 In conjunction with the Branch Managers of Economic Investment Services, approves and makes changes to detailed application requirements as necessary.

10.5.3 Consults with the Branch Manager of Financial Services to ensure that there is sufficient funding budgeted for the Grant prior to the execution of a Grant Funding Agreement.

10.5.4 In conjunction with the Branch Manager of Economic Investment Services, executes Grant Fundings Agreements with the Owners of the Project.

### 10.6 BRANCH MANAGER OF FINANCIAL SERVICES

10.6.1 Designates branch members to be on the Program Team.



10.6.2 Ensures that sufficient funding is available in the budget prior to the approval of additional grant funding agreements or conditional grant approvals by the Branch Managers of Developmental Services and Economic Investment Services.

## 10.7 PROGRAM TEAM

10.7.1 Working under the authority of the applicable branch managers the Program Team:

10.7.1.1 Gathers information from the Grant application.

10.7.1.2. Communicates and gathers additional information from Applicants as required to make decisions on Grant applications.

10.7.1.3 Makes recommendations to the Branch Managers on the application process.

10.7.1.4 Makes recommendations to the Branch Managers on whether a Grant should be approved and a Grant Funding Agreement executed.

10.7.1.5 Once a Grant Funding Agreement has been executed, on an annual basis reviews the Project to ensure that the Project continues to be eligible for Grants and continues to meet all the criteria.

10.7.1.6 Performs any other required duties to ensure the Program operates in an efficient and timely manner.

10.7.1.7 Upon receiving confirmation of the annual Grant amount, issues payment on the Grant in accordance with the Grant Funding Agreement.

10.7.1.8 Assists in conducting spot audits on the Program, or assists the City Auditor in performing audits on the Program.

## 10.8 LEGAL SERVICES

10.8.1 Reviews and approves the form of Grant Funding Agreements.

10.8.2 Assists the Program Team and Branch Manger with legal issues associated with the Program.