

# Procedure

## Development Incentive Program



This procedure falls under Development Incentive Program Policy C553C.

<b>Program Impacted</b>	<i>Economic Development</i> Edmonton has a diverse and prosperous economy that thrives locally and globally.
<b>Approved By</b>	City Manager
<b>Date of Approval</b>	July 29, 2021
<b>Approval History</b>	June 14, 2019; November 26, 2020; September 15, 2022
<b>Next Scheduled Review</b>	November 26, 2023

### 1. **DEFINITIONS**

- 1.1 Building Age - the year the building was built as identified in municipal tax records.
- 1.2 Building Interior – means the fully enclosed and covered building areas at all levels of a Commercial Building, including basements, garages, floored roof spaces/attics, penthouses, enclosed porches, attached enclosed covered ways, mechanical rooms, elevator shafts, vertical ducts, staircases, and any other fully enclosed spaces and useable areas of the building.
- 1.3 Commercial Building - for the purpose of administering the Development Incentive Program, a Commercial Building means a building that:
  - will be used for a commercial purpose at ground level, excluding home based businesses;
  - is designed to support and visually communicate the commercial use of the building; and
  - will be street-oriented.
- 1.4 Construction Value – the total cost of the construction project including the architecture, engineering, design, labour (excluding work performed by the owner or a related entity), building, mechanical, and electrical components.
- 1.5 Development Incentive Program Grant - the financial assistance available under the Development Incentive Program that includes New Mixed-Use Development Grant, Interior Building Improvement Grant, and New Commercial Development Grant.
- 1.6 Development Incentive Program Guide - means the guide(s) issued by the City which is used by the City to direct the intended effect of the Policy and these procedures. The guide(s) is separate from these procedures.

- 1.7 Dwelling – means a self contained unit comprised of one or more rooms accommodating sitting, sleeping, sanitary facilities, and a principal kitchen for food preparation, cooking, and serving. A Dwelling is used permanently or semi-permanently as a residence for a single household.
- 1.8 Eligible Retail and Commercial Use - means all permitted and discretionary uses in the CB2 General Business Zone and within the DC1 Direct Control Provision except for the following:
1. General Retail Stores that offer, for sale or rental, adult materials in the form of video, books, magazines or other visually graphic material whose main characteristic is the visual depiction of explicit sex acts or offers for sale objects that are reproductions of sexual organs and which are intended to be used in explicit sex acts, none of which is intended for educational, artistic or health and medical purposes or for consumption by minors;
  2. Personal Service Shops that include body rub centres, escort services, or adult mini-theatres;
  3. Professional, Financial and Office Support Services that include loan offices or credit unions.
- 1.9 Interior Building Improvements – means structural or non-structural improvements such as: electrical, plumbing, heating and ventilation system upgrades; improvements related to health and safety issues; fire safety compliance; wheelchair access; and other permanent leasehold improvements such as painting, flooring, walls, ceilings, and permanent fixtures carried out within an existing building to revitalize merchantable space and to enhance interior building aesthetics and functionality with regard for the interface between public pedestrian space and street oriented retail and commercial activities.
- 1.10 Interior Building Improvement Grant - means the financial assistance available to property owners for reimbursement of up to 50% to a maximum of \$20,000 per Building for the cost of eligible Interior Building Improvements to existing buildings that have ground floor Underutilized or Vacant Commercial Use Storefronts.
- 1.11 Market housing - means all housing that is supplied by the private market without government subsidies for capital or operating.
- 1.12 Mixed-use – means a development that includes Dwellings located above ground floor Commercial Use Storefronts, or Dwellings located on the ground floor of the building adjacent to or located behind Commercial Use Storefronts, or live-work units.
- 1.13 New Commercial Development Grant - means the financial assistance available to property owners for 10% of the Total Construction Value to a maximum of \$100,000 for the new development and/or conversion of a property for Commercial Use Storefront occupancy.
- 1.14 New Mixed-Use Development Grant - means the financial assistance available to property owners for a reimbursement grant of \$10,000 per new Dwelling to a maximum of \$200,000 for the new development of a property for Mixed-use occupancy.
- 1.15 Post Construction Inspection - a site visit by the Program Manager to determine whether the improvements or new construction identified in the Reimbursement Agreement have been completed.
- 1.16 Pre-Construction Inspection - a site visit by the Program Manager to determine the pre-construction status of a building or site, and to ensure that no work has begun before a Reimbursement Agreement is signed.

- 1.17 Project Review Committee - a committee approved by the Deputy City Manager with representation that may include City of Edmonton administration, the local Business Improvement Area, and/or other relevant organizations or individuals.
- 1.18 Reimbursement Agreement - the standard form contract identifying the maximum grant amount, the approved project design and the eligible improvements that the applicant may seek reimbursement for upon successful project completion. Reimbursement Agreements are: between the City of Edmonton and the building owner; or the City of Edmonton, building owner and building tenant.
- 1.19 Storefront - the first storey of the facade of a commercial building that fronts onto a public road right-of-way or pedestrian-oriented City owned open space, contains a public entrance, supports commercial activity and is a primary visual focus. A commercial building may have more than one storefront.
- 1.20 Street-oriented - means development that is designed with an emphasis on the street sidewalk and pedestrian access to the building, rather than auto access and parking areas. Buildings are generally sited close to the lot line bordering the street. Parking areas should not be emphasized by the design of the site.
- 1.21 Target Area - An area that is not within a Business Improvement Area which is designated by City Council to which the Development Incentive Program Policy and these procedures apply.
- 1.22 Underutilized - means that there is a high level of tenant turnover within the last 3 years, identified by at least 3 different business licenses registered to an address for three separate businesses within the 3 year timespan.
- 1.23 Vacant Commercial Use Storefront - means a Storefront that is used for the sole purpose of conducting activities related to commercial use, and that has been chronically vacant for at least 6 months. The vacancy may not be the result of major redevelopment or construction within the building.

## **2. DEVELOPMENT INCENTIVE PROGRAM REGULATIONS**

### **2.1. INTERIOR BUILDING IMPROVEMENT GRANT**

#### **2.1.1. AREA OF APPLICATION: INTERIOR BUILDING IMPROVEMENT GRANT**

- 2.1.1.1. These procedures apply to Interior Building Improvement projects undertaken in existing Commercial Use buildings located only within Business Improvement Areas and Target Areas.
- 2.1.1.2. These procedures are applicable to Business Improvement Areas and Target Areas based on the available budget for the program or for such time as otherwise prescribed.

#### **2.1.2. ELIGIBILITY: INTERIOR BUILDING IMPROVEMENT GRANT**

- 2.1.2.1. The applicant, project and building must meet the following minimum requirements to be eligible for consideration for an Interior Building Improvement Grant:
- the applicant must be the building owner(s) or that person's designate;
  - the building must be located within a Business Improvement Area or Target Area;
  - the proposed project must have a Storefront facing onto a public road right-of-way;
  - the proposed project must be commercial in use or Mixed-use in nature with a commercial use on the main floor;
  - the proposed project must be referenced to a titled lot;

- f. the Building Age must be 20 years or older;
- g. the project must relate to a Building Interior that has ground floor Underutilized or Vacant Commercial Use Storefront(s) and will be occupied by an eligible commercial business Post Construction;
- h. the project must relate to a Building Interior that is Underutilized or have ground floor Underutilized or Vacant Commercial Use Storefront(s) and will be occupied by an eligible commercial business Post Construction;
- i. the building must not have previously received an Interior Building Improvement Grant;
- j. the owner of the building must be current on all municipal property tax payments;
- k. excluding design and engineering work, construction work done prior to an executed Reimbursement Agreement between the applicant and the City is not reimbursable;
- l. the proposed project must involve eligible Interior Building Improvements and satisfy all requirements or principles in the Development Incentive Program Guide;
- m. the applicant must meet any additional Application Requirements as specified by the Project Review Committee; and
- n. funds are allocated subject to the conditions of the Development Incentive Program Policy and these procedures.

2.1.2.2. Projects that cannot achieve a Storefront with transparent glass or less than 10% of the total glazing obscured by the end of the project are not eligible for the Program.

2.1.2.3. Rehabilitation or improvements that affect historic properties must be consistent with the City of Edmonton's Historic Resources Management Program and are subject to review by a Heritage Planner. No funds will be allocated for projects that prevent or detract from future possible designation as a heritage resource.

2.1.2.4. Buildings that are built to specifically accommodate auto oriented uses, such as gas stations, are not eligible to apply to the program.

### 2.1.3. APPLICATION REQUIREMENTS: INTERIOR BUILDING IMPROVEMENT GRANT

2.1.3.1. Applications submitted under the Development Incentive Program Policy and these procedures are completed in two stages. The first stage must include the following components:

- a) a completed application form;
- b) photographs of the current state of the interior of the building;
- c) elevations, site plans, and/or any other drawings or materials identified in the Application form and/or requested by the Program Manager that show the improvements to be made; and

The second stage is completed after a successful review by the Project Review Committee. Stage two applications must be submitted in a timely manner, and must include the following components:

- d) a minimum of two contractor bids or quotes for all work proposed for the project;
- e) a cost summary listing the itemized breakdown of the improvements and corresponding specific costs, the selected vendor(s)/contractor(s), and the City of Edmonton business license number of the selected contractor(s);
- f) a copy of the submitted Development Permit application and/or submitted Building Permit application and/or submitted Sign Permit application; and

- g) a Statutory Declaration by the property owner stating that their Commercial Use Storefront retail space has been Vacant or Underutilized.

To confirm property ownership, the City will pull a Land Title Certificate, and if the property owner is a company, a Corporate Registry Search.

2.1.4. APPLICATION PROCESS: INTERIOR BUILDING IMPROVEMENT GRANT

- 2.1.4.1. In conjunction with or prior to filing an application, the applicant shall consult with the Program Manager regarding the application process, requirements, criteria, rules of eligibility, and project design.
- 2.1.4.2. Completed applications shall be submitted to the Development Incentive Program Manager.
- 2.1.4.3. In order to ensure adequate, consistent review and evaluation, the project application shall be prepared in accordance with the format established by the City.
- 2.1.4.4. Project applications will be received and reviewed at regular application periods identified by program administration until the funds are depleted or the program has ended.
- 2.1.4.5. After the project is reviewed by the Project Review Committee and before an applicant may enter into a Reimbursement Agreement with the City, the Development Incentive Program Manager will conduct a Pre-Construction Inspection of the subject property to determine the Pre-Construction status of the building and to confirm that construction has not yet commenced.
- 2.1.4.6. To be eligible for reimbursement, no work, excluding design and engineering work, may be performed until a Reimbursement Agreement has been signed by all parties and fully executed by the City. Projects that have commenced prior to a fully executed Reimbursement Agreement being in place are not eligible for reimbursement.
- 2.1.4.7. Submitting an application does not commit the City to enter into an agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a Reimbursement Agreement for the project. Further, the acceptance of an application does not constitute an agreement by the City that any contract will actually be entered into by the City.
- 2.1.4.8. The City reserves the right to accept, reject or modify any application and render decisions in regards to complete applications as approvals, approvals with conditions, and refusals.

2.1.5. COMMITTEE REVIEW: INTERIOR BUILDING IMPROVEMENT GRANT

- 2.1.5.1. Complete applications are reviewed by the Program Review Committee.
- 2.1.5.2. The Project Review Committee will meet as required to evaluate applications.
- 2.1.5.3. The Project Review Committee will recommend to the Deputy City Manager approval, approval with conditions, or refusal regarding the decision to enter into Reimbursement Agreements.

- 2.1.5.4. The City's decision to approve an application involves reviewing the applications and allocating funding (according to the Policy) based on alignment with the program guide, project eligibility, eligibility of proposed improvements and the availability of program funding. Maximum grant amounts are not guaranteed, and lesser amounts may be allocated at the discretion of the City.
- 2.1.5.5. A recommendation from the Program Review Committee for approval does not commit the City to enter into an agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a Reimbursement Agreement for the project. Further, approval of an application does not constitute an agreement by the City that any contract will actually be entered into by the City.
- 2.1.5.6. All decisions made by the City whether to approve or reject an application are final. No appeal lies from the decision of the City.
- 2.1.6. CONSTRUCTION PROCESS: INTERIOR BUILDING IMPROVEMENT GRANT
- 2.1.6.1. Applicants are required to enter into a Reimbursement Agreement with the City of Edmonton which specifies work to be completed, the costs of the project, the maximum amount of the grant and the conditions under which the City will provide a reimbursement.
- 2.1.6.2. All work must comply with City, Provincial and Federal regulations. The applicant is responsible for securing all required permits from the City of Edmonton and must present all Permit Service Reports prior to disbursement of program funds.
- 2.1.6.3. All contractors must hold a valid business license issued by the City of Edmonton. All construction contracts will be between the applicant and the contractor.
- 2.1.6.4. All projects assisted by this program must be completed and relevant documentation submitted in a timely manner, including an executed 2 year (minimum) lease agreement with a new eligible commercial tenant. The Reimbursement Agreement will allow a maximum of 12 months for completion. If it can be demonstrated that circumstances clearly beyond the applicant's control prohibit the completion of construction and submission of all relevant documents within 12 months, the City may, in its sole and unfettered discretion, grant up to a maximum of two 6 month extensions. Failure to complete the project in a timely manner will result in a termination of the Reimbursement Agreement at the discretion of the City.
- 2.1.7. REIMBURSEMENT OF PROJECT COSTS: INTERIOR BUILDING IMPROVEMENT GRANT
- 2.1.7.1. Reimbursement for architectural and/or engineering fees may not exceed 20% of eligible costs.
- 2.1.7.2. Reimbursement for project management and administration costs may not exceed 10% of eligible costs.
- 2.1.7.3. At the time a reimbursement request is made, no individual or entity will be eligible for reimbursement under the Development Incentive Program if such individual or entity is in

default of taxes owing or an obligation funded by any other municipal program. Demonstration of good standing must be provided.

2.1.7.4. The applicant is responsible for payment of all contractors. The City will not pay the contractors directly.

2.1.7.5. The Interior Building Improvements Grant is paid only when: all construction work associated with the project is completed and formal permit reports have need issued by the City; the work conforms to changes/improvements as outlined in the executed Reimbursement Agreement; the applicant provides a current tax notice showing all municipal property taxes are paid; and all invoices, proof of payments and cost summaries have been submitted and reviewed/approved by the City.

2.1.7.6. Reimbursement is limited to labor and material for eligible cost items only. However, the City may require that non-eligible work be performed as a precondition for reimbursement of eligible cost items. Improvements which place the property in compliance with all City Bylaws, including but not limited to the Minimum Maintenance Standards Bylaw, are always required, even where such improvements may not be eligible for reimbursement.

2.1.8. SPECIAL CONSIDERATIONS: INTERIOR BUILDING IMPROVEMENT GRANT

2.1.8.1. For a period of 5 years after the reimbursement for Interior Building Improvements, the building owner must:

- a. clean and repair the commercial space in accordance with the standard of care applicable to owners of valuable real estate in a large city; and
- b. use the commercial space only for eligible retail and commercial uses as prescribed by the procedures.

2.1.8.2. The Deputy City Manager or that person's designate may make minor exceptions to program procedures.

2.1.8.3. The Deputy City Manager has the sole authority to determine eligibility of proposed work and confirmation of completed work. Certain work may be required or precluded as a condition of funding.

**2.2. MIXED-USE DEVELOPMENT GRANT**

2.2.1. AREA OF APPLICATION: MIXED-USE DEVELOPMENT GRANT

2.2.1.1. These procedures apply to new, Mixed-use developments located only within Business Improvement Areas or Target Areas approved by City Council and subject to recommendation from the Deputy City Manager, as well as any conditions of these procedures.

2.2.1.2. These procedures are applicable to Business Improvement Areas and Target Areas based on the available budget for the program or for such time as otherwise prescribed.

2.2.2. ELIGIBILITY: MIXED-USE DEVELOPMENT GRANT

2.2.2.1. The applicant, project and building must meet the following minimum requirements to be eligible for consideration for a Mixed-Use Development Grant::

- a) the applicant must be the property owner(s) or that person's designate;

- b) the proposed project must be located within a Business Improvement Area or Target Area, excluding Exhibition Lands and sites larger than 1 hectare;
- c) the proposed project must be referenced to a property defined by a land title, physical construction, and ownership;
- d) the proposed project must be a new Mixed-use building that creates new market rate Dwellings located above eligible commercial use Storefront(s) retail space on the ground floor of the building;
- e) the applicant must meet any additional Application Requirements as specified by the Program Guide or the Deputy City Manager;
- f) the property owner must be current on municipal property taxes;
- g) excluding design and engineering work, construction work done prior to approval is not reimbursable;
- h) the proposed project must satisfy any Development Incentive Program design principles or other requirements identified in the Program Guide and approved by the City for implementation of these procedures;
- i) funds are allocated subject to the conditions of the Development Incentive Program Policy and these procedures; and
- j) the City reserves the right to determine applicant participation in the Program on a case-by-case basis.

2.2.2.2. New development that affects historic properties must be consistent with the City of Edmonton's Historic Resources Management Program. No funds will be allocated for projects that prevent or detract from future possible designation as a heritage resource.

#### 2.2.3. APPLICATION REQUIREMENTS: MIXED-USE DEVELOPMENT GRANT

2.2.3.1. Applications submitted under the Development Incentive Program Policy and these procedures are completed in two stages. The first stage must include the following components:

- a) a completed application form;
- b) photographs of the current state of the property;
- c) elevations, site plans, and/or any other drawings or materials identified in the application form and/or requested by the Program Manager regarding the new development; and
- d) a Land Title Certificate that is no older than 3 months, and if the property owner is a company, a Corporate Registry Search that is no older than 3 months.

The second stage is completed after a successful review by the Project Review Committee. Stage two applications must be submitted in a timely manner, and must include the following components:

- e) a minimum of 3 contractor bids or quotes for all work proposed for the project;
- f) a cost summary listing the itemized breakdown of all the improvements and corresponding specific costs, the selected vendor(s)/contractor(s), and the City of Edmonton business license number(s) of the selected contractor(s); and
- g) a copy of the submitted Development Permit application and/or submitted Building Permit and/or any other relevant permit applications.

#### 2.2.4. APPLICATION PROCESS: MIXED-USE DEVELOPMENT GRANT

2.2.4.1. In conjunction with or prior to filing an application, the applicant shall consult with the Program Manager regarding the application process, requirements, criteria, rules of eligibility, and project design.



- 2.2.4.2. Completed applications shall be submitted to the Development Incentive Program Manager.
- 2.2.4.3. In order to ensure adequate, consistent review and evaluation, the project application shall be prepared in accordance with the format established by the City.
- 2.2.4.4. Project applications will be received and reviewed at regular application periods identified by program administration until the funds are depleted or the program has ended.
- 2.2.4.5. After the project is reviewed by the Project Review Committee and before an applicant may enter into a Reimbursement Agreement with the City of Edmonton, the Development Incentive Program Manager will conduct a Pre-Construction Inspection of the subject property to determine the Pre-Construction status of the building.
- 2.2.4.6. To be eligible for reimbursement, no work, excluding design and engineering work, may be performed until a start date is approved by the City. Work that has commenced prior to a start date that is approved by the City is not eligible for reimbursement.
- 2.2.4.7. Submitting an application does not commit the City to enter into a Reimbursement Agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a Reimbursement Agreement for the project. Further, the acceptance of an application does not constitute an agreement by the City that any Reimbursement Agreement will be entered into by the City.
- 2.2.4.8. The City reserves the right to accept, reject or modify any application and render decisions in regards to complete applications as approvals, approvals with conditions and refusals.

#### 2.2.5. COMMITTEE REVIEW: MIXED-USE DEVELOPMENT GRANT

- 2.2.5.1. Complete applications are reviewed by the Project Review Committee.
- 2.2.5.2. The Project Review Committee meets as required to evaluate applications.
- 2.2.5.3. The Project Review Committee will recommend to the Deputy City Manager approval, approval with conditions or refusal regarding the decision to enter into Reimbursement Agreements.
- 2.2.5.4. The City's decision to approve an application involves reviewing the application and allocating funding (according to the Policy) based on alignment with program guide, project eligibility, eligibility of proposed improvements and the availability of program funding. Maximum grant amounts are not guaranteed, and lesser amounts may be allocated at the discretion of the City.
- 2.2.5.5. A recommendation from the Project Review Committee for approval does not commit the City to enter into an agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a Reimbursement Agreement for the project. Further, approval of an application does not constitute an agreement by the City that any contract will actually be entered into by the City.

2.2.5.6. All decisions made by the City regarding whether to approve or refuse an application are final. No appeal lies from the decision of the City.

#### 2.2.6. CONSTRUCTION PROCESS: MIXED-USE DEVELOPMENT GRANT

2.2.6.1. Applicants are required to enter into a Reimbursement Agreement with the City of Edmonton which specifies work to be completed, the costs of the project, maximum amount of the grant and the conditions under which the City will provide a reimbursement.

2.2.6.2. All work must comply with City, Provincial and Federal regulations. The applicant is responsible for securing all required permits from the City of Edmonton and must present all Permit Service Reports prior to disbursement of program funds.

2.2.6.3. All contractors must hold a valid business license issued by the City of Edmonton. All construction contracts will be between the applicant and the contractor.

2.2.6.4. All projects assisted by this program must be completed and required documentation submitted in a timely manner. The Reimbursement Agreement will allow a maximum of 24 months for completion. If it can be demonstrated that circumstances clearly beyond the applicant's control prohibit the completion in 24 months, the City may, in its sole and unfettered discretion, grant a one-time 12 month extension. Failure to complete the project in a timely manner will result in termination of the Reimbursement Agreement at the discretion of the City.

#### 2.2.7. REIMBURSEMENT OF PROJECT COSTS: MIXED-USE DEVELOPMENT GRANT

2.2.7.1. Reimbursement for architectural and/or engineering fees may not exceed 20% of the eligible construction costs.

2.2.7.2. Reimbursement for project management and administration costs may not exceed 10% of the eligible construction costs.

2.2.7.3. A project may not receive more than one type of grant from the Development Incentive Program (Interior Building Improvement Grant, New Commercial Development Grant, or Mixed-use Development Grant).

2.2.7.4. At the time a reimbursement request is made, no individual or entity will be eligible for reimbursement under the Development Incentive Program if the individual or entity is in default of taxes owing or an obligation funded by any other municipal program. Demonstration of good standing must be provided.

2.2.7.5. The applicant is responsible for payment of all contractors. The City will not pay the contractors directly.

2.2.7.6. The Mixed-Use Development Program Grant is paid only when: all construction work associated with the project is complete and formal permit reports have been issued by the City; the work conforms to the design as outlined in the executed Reimbursement Agreement; the applicant provides a current tax notice showing all municipal property

taxes are paid; and all invoices, proof of payment and cost summaries have been submitted and reviewed/approved by the City.

**2.2.8. SPECIAL CONSIDERATIONS: MIXED-USE DEVELOPMENT GRANT**

- 2.2.8.1. For a period of 10 years after the reimbursement for construction of Mixed-use dwelling units, the owner must clean and repair the building in accordance with the standard of care applicable to owners of valuable real estate in a large city.
- 2.2.8.2. Any Dwellings of a project for which a reimbursement was provided must remain as a market-rate Dwelling for at least 10 years (otherwise the reimbursement monies must be repaid).
- 2.2.8.3. Any Commercial Use space created must remain as a Commercial Use, as defined in the Development Incentive Program Guide, for at least 10 years (otherwise the reimbursement monies must be repaid).
- 2.2.8.4. The Deputy City Manager of the appropriate department or that person's designate may make minor exceptions to program procedures.
- 2.2.8.5. The Deputy City Manager has the sole authority to determine eligibility of proposed work and confirmation of completed work. Certain work may be required or precluded as a condition of funding.

**2.3. NEW COMMERCIAL DEVELOPMENT GRANT**

**2.3.1. AREA OF APPLICATION: NEW COMMERCIAL DEVELOPMENT GRANT**

- 2.3.1.1. These procedures apply to new Commercial Development projects located only within Business Improvement Areas or Target Areas approved by City Council and subject to recommendation from the Deputy City Manager and any conditions of these procedures.
- 2.3.1.2. These procedures are applicable to Business Improvement Areas and Target Areas based on the available budget for the program or for such time as otherwise prescribed.

**2.3.2. ELIGIBILITY: NEW COMMERCIAL DEVELOPMENT GRANT**

- 2.3.2.1. The applicant, project and building must meet the following minimum requirements in order to be eligible for consideration for a New Commercial Development Grant:
  - a) the applicant must be the property owner(s) or that person's designate;
  - b) the proposed project must be located within a Business Improvement Area or Target Area, excluding Exhibition Lands, and sites larger than 1 hectare;
  - c) the proposed project must be referenced to a property defined by a land title, physical construction, and ownership;
  - d) the proposed project must be a new Commercial Building that has a minimum construction value of \$250,000 and is a minimum of two stories with a Storefront(s) on the ground floor;
  - e) the applicant must meet any additional application requirements as specified by the Program Guide or the Deputy City Manager;
  - f) the property owner must be current on municipal property taxes;
  - g) excluding design and engineering work, construction work done prior to approval is not reimbursable;

- h) the proposed project must satisfy any Development Incentive Program design principles or other requirements identified in the Program Guide and approved by the City for implementation of these procedures;
- i) funds are allocated subject to the conditions of the Development Incentive Program Policy and these procedures; and
- j) the City reserves the right to determine applicant participation in the Program on a case-by-case basis.

2.3.2.2. New development that affects historic properties must be consistent with the City of Edmonton's Historic Resources Management Program. No funds will be allocated for projects that prevent or detract from future possible designation as a heritage resource.

### 2.3.3. APPLICATION REQUIREMENTS: NEW COMMERCIAL DEVELOPMENT GRANT

2.3.3.1. Applications submitted under the Development Incentive Program Policy and these procedures are completed in two stages. The first stage must include the following components:

- a) a completed application form;
- b) photographs of the current state of the property;
- c) elevations, site plans, and/or any other drawings or materials identified in the application form and/or requested by the Program Manager regarding the new development; and
- d) a Land Title Certificate that is no older than 3 months, and if the property owner is a company, a Corporate Registry Search that is no older than 3 months.

The second stage is completed after a successful review by the Project Review Committee. Stage two applications must be submitted in a timely manner, and must include the following components:

- e) a minimum of 3 contractor bids or quotes for all work proposed for the project;
- f) a cost summary listing the itemized breakdown of all the improvements and corresponding specific costs, the selected vendor(s)/contractor(s), and the City of Edmonton business license number(s) of the selected contractor(s); and
- g) A copy of the submitted Development Permit application and/or submitted Building Permit and/or any other relevant permit applications.

### 2.3.4. APPLICATION PROCESS: NEW COMMERCIAL DEVELOPMENT GRANT

2.3.4.1. In conjunction with or prior to filing an application, the applicant shall consult with the Program Manager regarding the application process, requirements, criteria, rules of eligibility, and project design.

2.3.4.2. Completed applications shall be submitted to the Development Incentive Program Manager.

2.3.4.3. In order to ensure adequate, consistent review and evaluation, the project application shall be prepared in accordance with the format established by the City.

2.3.4.4. Project applications will be received and reviewed at regular application periods identified by program administration until funds are depleted or the program has ended.

2.3.4.5. After the project is reviewed by the Project Review Committee and before an applicant may enter into a Reimbursement Agreement with the City of Edmonton, the Development

Incentive Program Manager will conduct a Pre-Construction Inspection of the subject property to determine the Pre-Construction status of the building.

- 2.3.4.6. To be eligible for reimbursement, no work, excluding design and engineering work, may be performed until a start date is approved by the City. Work that has commenced prior to a start date that is approved by the City is not eligible for reimbursement.
- 2.3.4.7. Submitting an application does not commit the City to enter into an agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a contract for the project. Further, the acceptance of an application does not constitute an agreement by the City that any contract will be entered into by the City.
- 2.3.4.8. The City reserves the right to accept, reject or modify any application and render decisions in regards to complete applications as approvals, approvals with conditions and refusals.

### 2.3.5. COMMITTEE REVIEW: NEW COMMERCIAL DEVELOPMENT GRANT

- 2.3.5.1. Complete applications are reviewed by the Project Review Committee.
- 2.3.5.2. The Project Review Committee meets as required to evaluate applications.
- 2.3.5.3. The Project Review Committee will recommend to the Deputy City Manager approval, approval with conditions, or refusal regarding the decision to enter into Reimbursement Agreements.
- 2.3.5.4. The City's decision to approve an application involves reviewing the applications and allocating funding (according to the Policy) based on alignment with program guide, project eligibility, eligibility of proposed improvements and the availability of program funding. Maximum grant amounts are not guaranteed, and lesser amounts may be allocated at the discretion of the City.
- 2.3.5.5. A recommendation from the Project Review Committee for approval does not commit the City to enter into an agreement to pay any costs incurred in its preparation, to participate in subsequent negotiations or to enter into a Reimbursement Agreement for the project. Further, approval of an application does not constitute an agreement by the City that any contract will actually be entered into by the City.
- 2.3.5.6. All decisions made by the City regarding whether to approve or refuse an application are final. No appeal lies from the decision of the City.

### 2.3.6. CONSTRUCTION PROCESS: NEW COMMERCIAL DEVELOPMENT GRANT

- 2.3.6.1. Applicants are required to enter into a Reimbursement Agreement with the City of Edmonton which specifies work to be completed, the costs of the project, maximum amount of the grant and the conditions under which the City will provide a reimbursement.
- 2.3.6.2. All work must comply with City, Provincial and Federal regulations. The applicant is responsible for securing all required permits from the City of Edmonton and must present all Permit Service Reports prior to disbursement of program funds.

- 2.3.6.3. All contractors must hold a valid business license issued by the City of Edmonton. All construction contracts will be between the applicant and the contractor.
- 2.3.6.4. All projects assisted by this program must be completed and required documentation submitted in a timely manner. The Reimbursement Agreement will allow a maximum of 24 months for completion. If it can be demonstrated that circumstances clearly beyond the applicant's control prohibit the completion in 24 months, the City may, in its sole and unfettered discretion, grant a one-time 12 month extension. Failure to complete the project in a timely manner will result in termination of the Reimbursement Agreement at the discretion of the City.

2.3.7. REIMBURSEMENT OF PROJECT COSTS: NEW COMMERCIAL DEVELOPMENT GRANT

- 2.3.7.1. Reimbursement for architectural and/or engineering fees may not exceed 20% of the eligible construction costs.
- 2.3.7.2. Reimbursement for project management and administration costs may not exceed 10% of the eligible construction costs.
- 2.3.7.3. A project may not receive more than one type of grant from the Development Incentive Program (Interior Building Improvement Grant, New Commercial Development Grant, or Mixed-use Development Grant).
- 2.3.7.4. At the time a reimbursement request is made, no individual or entity will be eligible for reimbursement under the Development Incentive Program if such individual or entity is in default of taxes owing or an obligation funded by any other municipal program. Demonstration of good standing must be provided.
- 2.3.7.5. The applicant is responsible for payment of all contractors. The City will not pay the contractors directly.
- 2.3.7.6. The Commercial Development Program Grant is paid only when: all construction work associated with the project is completed and the formal permit reports have been issued by the City; the work conforms to changes/improvements as outlined in the executed Reimbursement Agreement; the applicant provides a current tax notice showing all municipal property taxes are paid; and all invoices, proof of payments and cost summaries have been submitted and reviewed/approved by the City.

2.3.8. SPECIAL CONSIDERATIONS: NEW COMMERCIAL DEVELOPMENT GRANT

- 2.3.8.1. For a period of 10 years after the reimbursement for construction of a new commercial building, the building owner must use the commercial space only for eligible retail commercial uses as prescribed by the procedures (otherwise the reimbursement monies must be refunded).
- 2.3.8.2. The Deputy City Manager or that person's designate may make minor exceptions to program procedures.

2.3.8.3. The Deputy City Manager or their designate has the sole authority to determine eligibility of proposed work and confirmation of completed work. Certain work may be required or precluded as a condition of funding.

### **3. RESPONSIBILITIES**

#### **3.1 DEPUTY CITY MANAGER:**

- a. Oversees the Development Incentive Program, including program evaluation and funding,
- b. Makes the final decision regarding approval or refusal of applications to the Development Incentive Program based on recommendations provided by the Project Review Committee;
- c. Varies Program Procedures from time to time, as required;
- d. Approves detailed application requirements and the Development Incentive Program Guide; and
- e. Delegates authority as required in regards to program implementation.

#### **3.2 PROJECT REVIEW COMMITTEE:**

- a. Evaluates applications and recommends approval, approval with conditions, or refusal to the Deputy City Manager or that person's delegate;
- b. Is governed by a Terms of Reference that is approved by the Deputy City Manager or that person's delegate; and
- c. Is chaired by the Development Incentive Program Manager.

#### **3.3 PROGRAM MANAGER:**

- a. Administers the Development Incentive Program, including program evaluation and monitoring, managing program funding, communication with applicants, site inspections, coordinating administrative review of applications, recommending Project Review Committee members, chairing the Project Review Committee, and other duties as required;
- b. Proposes amendments and recommends variances to the Program Guide from time to time, as required;
- c. Prepares recommendations and any proposed changes for the Deputy City Manager regarding the application requirements and Guide for the Development Incentive Program, as required.