



Commercial Upgrade Tax and Fee Rebate Program Guidelines - Community Improvement Plan (CIP)

The Commercial Upgrade Tax and Fee Rebate Program is designed to support commercial property owners in Hornepayne who wish to upgrade the public-facing elements of their retail-oriented commercial buildings. The program offers rebates on eligible municipal fees and property tax increments, providing financial relief for improvements that enhance the appearance, accessibility, and safety of commercial properties.

Program Objectives

- Encourage the improvement of public-facing elements of commercial buildings.
- Support accessibility enhancements for persons with disabilities.
- Promote structural and mechanical upgrades to ensure building safety.
- Enhance the overall streetscape and appearance of commercial areas.

Program Eligibility

Eligible Applicants:

- Property owners or tenants with written permission from property owners.
- Commercial properties located in General Commercial or Highway Commercial zones.



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Eligible Expenditures

- Façade upgrades (e.g., signage, windows, exterior finishes).
- Accessibility improvements (e.g. ramps, handrails).
- Structural and mechanical upgrades (e.g. plumbing, electrical systems, HVAC).
- Safety and fire protection system installations.
- Demolition costs related to eligible upgrades.

Incentive Detail

Eligible Applicants:

Eligible Expenses: Costs directly associated with eligible improvements, including:

Fee Rebates: 100% rebate on eligible municipal fees, up to a maximum of \$10,000.

- Municipal planning application fees (e.g. site plans, zoning amendments).
- Municipal building permit, demolition fees and Inspection fees.

Tax Increment Rebate: Rebate on the difference between the property tax amount prior to improvements and the new tax amount following reassessment.

The Tax Increment rebate structure is as follows:

- Year 1: 100% rebate of tax increment.
- Year 2: 100% rebate of tax increment.
- Year 3: 75% rebate of tax increment.
- Year 4: 50% rebate of tax increment.
- Year 5: 25% rebate of tax increment.



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Eligible Expenditures

1. Pre-Application Consultation: Consult with the EDO/CAO before submitting.
2. Application Submission: Complete the application form with required documentation.
3. Application Review: The EDO/CAO will review the application for eligibility.
4. Approval: Successful applicants receive a written approval letter.
5. Project Completion: Complete the improvements within four months of approval.
6. Request for Reimbursement: Submit proof of payment and completion.
7. Final Inspection: The Township may inspect the completed improvements.
8. Reimbursement: Approved grant amounts will be issued upon compliance verification

Special Conditions

- All improvements must comply with the Ontario Building Code and other applicable regulations.
- Applicants must be current in all municipal financial accounts and must maintain good standing throughout the duration of the program.
- The Township reserves the right to cancel or modify the program, subject to Council Approval.
- Any deviation from the approved project plan without written approval may result in the cancellation of rebates.
- The Township reserves the right to revoke approval if the improvements are not completed as per the approved application.

Commercial Upgrade Tax and Fee Rebate Program

Objective

To encourage commercial property owners to improve the public-facing elements of retail-oriented commercial buildings, including enhancement of exterior facades, accessibility for persons with disabilities, upgrades to structural and mechanical components, and signage and landscaping that aligns with public realm standards by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation, and by granting a portion of fees required for planning applications or building permits.

Rationale

Facade upgrades improve the appearance of a commercial building's public-facing exterior walls by providing a new look, enhanced neighbourhood streetscapes, and a more pleasant environment to work and live. Accessibility to businesses in Hornepayne is very important for employees and customers, and property owners must comply with Provincial law. The number of Canadians living with a physical disability that impairs their mobility, vision, or hearing, will increase at twice the rate of general population growth. Older buildings may have decayed structural supports, out-of-date electrical systems, substandard plumbing, sanitation concerns, or heating ventilation and air-conditioning systems and insulation problems. Small business owners need support to ensure their businesses stay compliant with regulations, welcoming to customers, safe and accessible for employees, financially viable, and open in all seasons.

Eligibility Filters

Eligibility Filter	Details
Priority	Medium
Geographic Areas	Lands designated General Commercial, Highway Commercial, and Rural
Industry Focus	Supply chains related to Tourism, Hospitality and Retail
Property Types	Commercial
Applicant Types	Property Owner or Tenant with Property Owner's Written Permission
Expenditures	Construction costs related to facade upgrades, signage, accessibility, structural and mechanical upgrades to existing commercial buildings, including upgrades to plumbing and electrical systems, installation of safety and fire protection systems, structural upgrades, upgrade and installation of windows, new technologies, building insulation, consultant fees, fire suppression systems, carpentry, HVAC, and interior renovations. Demolition costs are also eligible.

Eligibility Filter	Details
Special Conditions	<p>All construction must follow Ontario Building Code and other regulations.</p> <p>Property owner has 18 months to complete the necessary improvements to the property, at the discretion of the GIP Administrator. Should this condition not be met, Council has the option to cancel the application approval or to extend the approval.</p> <p>The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period.</p> <p>Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits.</p> <p>An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township.</p> <p>The Tax Increment Equivalent Rebate financial incentive for a commercial property is offered for a maximum of 5 years from the date of the re-assessment upon which the tax increment is calculated.</p> <p>Although the municipal property taxes are rebated, they are not waived outright. Taxes are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements. Any other taxes paid are not subject to the rebate.</p>

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100%	Municipality to rebate actual fees paid to a maximum of \$10,000. Eligible fees for rebate include: Municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or Municipal building permit demolition fees, and inspection fees.
Project Grant	No. Participants in the Commercial Upgrade Tax and Fee Rebate Program are not eligible to participate in the Business Property Improvement Grant Program.	N/A	N/A
Tax Increment Grant	Yes	See maximum grant range calculations	<p>Maximum Rebate - Lowest of the following:</p> <ul style="list-style-type: none"> • Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application • Amount equivalent to the total of municipal property taxes for Years 1 through 5 following completion of the project. • Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.

Example

A commercial property owner in Hornepayne decides to expand and upgrade a currently operating retail property to offer take-away meals to residents and visitors.

Prior to starting construction, the property owner applies to the Township of Hornepayne's Commercial Upgrade Tax Program. It is confirmed during the application process that:

- MPAC assessed value of the retail property is \$500,000 (prior to expansion and upgrades).
- Annual property taxes are \$7,000 (prior to expansion and upgrades).
- The property owner plans to invest \$200,000 (excluding HST) in total eligible construction costs to expand/upgrade the property.
- Fees charged by the Township associated with the renovation are EXPECTED to total \$10,000.

The Township approves the application. After receiving written approval, the property owner renovates the retail property into a take-away restaurant, actually spending \$200,000 (excluding HST) based on receipts and proof of payment.

- MPAC reassesses the property after renovation at \$675,000 in value, an increase of \$175,000.
- Annual property taxes after renovation are reassessed at \$10,000, an increase of \$3,000. The potential for rebated property taxes is calculated as follows:

Year	Increment Percentage	Rebate Amount
	100%	\$3,000
2	100%	\$3,000
3	75%	\$2,250
4	50%	\$1,500
5	25%	\$750
Total (Years 1-5)		\$10,500

- Fees charged by the Township to the property owner ACTUALLY totalled \$8,000, which is \$2,000 less than estimated.

The property owner requests program funding from the Township through the GIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The property owner receives these incentives:

- Fee Rebate of \$8,000 immediately.
- Tax Rebate of \$10,500 received through reduced tax payments over the next five years, because it is the lowest of the following calculations:
 - Amount equivalent to 50% of total eligible construction costs = \$100,000 (excluding HST).
 - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 5 following completion of the project, subject to the sliding scale of rebates for the Commercial Upgrade Tax Rebate Grant Program = \$10,500
 - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$500,000) and after the Project is complete (\$675,000) = \$175,000.

In total, through the Commercial Upgrade Tax Program, this property owner would be eligible for a total of \$18,500 in incentives.

NOTE:

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 5 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.