

Downtown Incentive Programs

**TARGETED
INCENTIVE
ZONE**

CITY OF LONDON

10-year interest-free *FORGIVABLE* loans;
half the value of eligible costs to a
maximum of:

- \$50,000 for façade improvements;
grant is lesser of \$12,500 or 25% of
loan repayments
- \$200,000 for upgrades required by
building code and/or fire code;
grant is lesser of \$25,000 or 12.5%
of loan repayments
- Rehabilitation Tax Grant, OR
Combined Residential Development
Charge and Tax Grant

MAINSTREET LONDON

- About Face Façade Grant
- Tenant Improvement Loan - new &
expanding businesses, targeted uses
only

NOTE: Heritage Alteration Permits
may be required for façade and sign
projects in the Heritage
Conservation District

Forgivable Façade Improvement Loan



What is it?	<ul style="list-style-type: none">• A City of London program that assists Downtown property owners interested in improving their building façades, including eligible non-street front facades.• Qualifying property owners may be eligible for a ten-year, interest-free loan up to a maximum of the lesser of \$50,000 or half the value of the proposed improvements• <u>If deemed a forgivable loan, the grant portion of the loan is the lesser of \$12,500 or 25% of the loan repayments</u>
What buildings are eligible?	<ul style="list-style-type: none">• All commercial buildings in the targeted incentive zone
What improvements are eligible?	<ul style="list-style-type: none">• Repainting; repointing masonry or brickwork; window repair and restoration; removal of inappropriate signage or cladding; installation of new signage, canopies, awnings and lighting• Improvements consistent with Downtown Design Guidelines and as approved by a City of London Urban Designer.• Review by a City of London Heritage Planner is required if the property is located in the Downtown Heritage Conservation District (HCD)• Properties located in the HCD will require a Heritage Alteration Permit for any façade or signage projects.
Who qualifies for assistance?	<ul style="list-style-type: none">• Registered property owner with 10% equity in the property• Property taxes must be in good standing; no default history• Submit two estimates in support of the proposed work• Must have all applicable permits (sign, building, etc.)• <u>Submit the loan application prior to the start of the work</u>
Where do I apply?	<ul style="list-style-type: none">• Application may be picked up at:<ul style="list-style-type: none">◦ Downtown London 123 King Street, London ON N6A 1C3 Phone: 519-432-9816 or 519-432-8389 Fax: 519-663-9966 www.downtownlondon.ca◦ City of London, Planning Services 206 Dundas St., London ON Phone: 519-661-2500, ext. 7567 Fax: 519-661-5397• Must submit a copy of all required permits and drawings. No application fee• Submit completed applications to Downtown London
When would I receive the loan?	<ul style="list-style-type: none">• Loan agreement has been signed• Improvements have been completed and paid for (no progress payments)• An inspection has been carried out by City staff
When do I begin repaying the loan?	<ul style="list-style-type: none">• Monthly loan repayments commence 6 months after the loan has been issued (114 equal monthly payments thereafter). No penalty for early repayment

Forgivable Upgrade to Building Code Loan



What is it?	<ul style="list-style-type: none">• A City of London program that assists Downtown property owners with interior improvements that relate to Fire and Building Code requirements• Qualifying property owners may be eligible for a ten-year, interest-free loan up to a maximum of the lesser of \$200,000, or half the value of the work being proposed.• If deemed a forgivable loan, the <u>grant portion of the loan is the lesser of \$25,000 or 12.5% of the loan repayments</u>
What buildings are eligible?	<ul style="list-style-type: none">• All commercial buildings in the Downtown CIP area
What improvements are eligible?	<ul style="list-style-type: none">• Fire separation and protection systems• Plumbing, heating, electrical and ventilation systems• Reinforcement of floors, ceilings or walls; window openings• Roofing, including green roof installations• Professional fees for eligible works
Who qualifies for assistance?	<ul style="list-style-type: none">• Registered property owner with 10% equity in the property• Property taxes must be in good standing; no default history• Must have a building permit, if required, for the proposed work. May be required to submit floor plans• Must submit two quotes in support of the proposed work• <u>Submit the loan application prior to the start of the work</u>
Where do I apply?	<ul style="list-style-type: none">• Application may be picked up at:<ul style="list-style-type: none">◦ Downtown London 123 King Street, London ON N6A 1C3 Phone: 519-432-9816 or 519-432-8389 Fax: 519-663-9966 www.downtownlondon.ca◦ City of London, Planning Division 206 Dundas St., London ON Phone: 519-661-2500, ext. 7567 Fax: 519-661-5397• Must submit a copy of all required permits and drawings.• There is no application fee.• Submit completed applications to Downtown London.
When would I receive the loan?	<ul style="list-style-type: none">• Improvements have been completed and all work has been paid for (no progress payments)• Loan agreement has been signed and paid receipt submitted to City staff• An inspection has been carried out by City staff
When do I begin repaying the loan?	<ul style="list-style-type: none">• Monthly loan repayments 6 months after the loan has been issued (114 equal monthly payments thereafter)• No penalty for early repayment

Rehabilitation Tax Grant



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|---------------------------------|--|
| What is it? | <ul style="list-style-type: none"> A City of London program that provides an economic incentive for the rehabilitation and/or redevelopment of commercial and residential buildings in the core If your property taxes increase as a result of a rehabilitation and/or redevelopment project, the City will grant back a portion of that tax increase every year, for ten years |
| How does it work? | <ul style="list-style-type: none"> Prior to the issuance of a Building Permit, an application is filed with the City of London. The City determines a pre-improved assessed value. Upon completion of the project, a post-improved assessed value is determined, typically in the form of a notification from MPAC. The annual grant is calculated on the basis of the increase in the <u>municipal</u> portion of the property taxes only. |
| What buildings are eligible? | <ul style="list-style-type: none"> All commercial buildings in the Downtown CIP area. There are 3 levels of tax grants, based on the type/location of the building. |
| What improvements are eligible? | <ul style="list-style-type: none"> Any rehabilitation and/or redevelopment project that results in a supplementary assessment that is directly related to the improvements. |
| Who qualifies for assistance? | <ul style="list-style-type: none"> Registered property owner with 10% equity in the property whose improvement has resulted in a property tax increase Property taxes must be in good standing; no default history Submit the grant application <u>prior to the start of the work</u> |
| Where do I apply? | <ul style="list-style-type: none"> Application may be picked up at: <ul style="list-style-type: none"> Downtown London
123 King Street, London ON N6A 1C3
Phone: 519-432-9816 or 519-432-8389
Fax: 519-663-9966 www.downtownlondon.ca City of London, Planning Services
206 Dundas St., London ON
Phone: 519-661-2500, ext. 7567 Fax: 519-661-5397 Must submit a copy of all required permits. No application fee. Submit completed applications to Downtown London. |
| When would I receive the grant? | <ul style="list-style-type: none"> Grant is paid at the completion of the tax year (starting the year of the project's completion) <u>after you have paid your annual municipal taxes.</u> |

Year	Level 1: Part IV Heritage Designated
1	100 %
2	100 %
3	100 %
4	90 %
5	80 %
6	70 %
7	60 %
8	50 %
9	40 %
10	30 %

Year	Level 2: Existing Buildings
1	70 %
2	70 %
3	60%
4	50%
5	40%
6	30%
7	20%
8	10%
9	10%
10	10%

Year	Level 3: Vacant or Cleared Land
1	60 %
2	60 %
3	50 %
4	40 %
5	30 %
6	20 %
7	10 %
8	10 %
9	10 %
10	10 %

Combined Residential Development Charge and Tax Grant Program



What is it?	<ul style="list-style-type: none">• A City of London grant program that assists Downtown property owners interested in developing residential units.• The grant covers 100% of the residential development charges and a portion of the municipal tax increase.• Grant amount is based upon the value of net residential development charges paid to the City at the time of application, and the increase in the municipal portion of property taxes directly related to the eligible project
What buildings are eligible?	<ul style="list-style-type: none">• All residential developments in the original Downtown CIP area
What projects are eligible?	<ul style="list-style-type: none">• Construction of one or more buildings to create new dwelling units• Addition or alteration to an existing building to create new dwelling units• Multi-unit residential and mixed use buildings; the grant applies only to the residential portion
Who qualifies for assistance?	<ul style="list-style-type: none">• Project must be compliant with Ontario Building Code, Official Plan, Zoning By-law and all other Planning requirements and approvals• Property taxes must be in good standing; no default history• <u>Must have submitted application prior to the start of the work</u>
Where do I apply?	<ul style="list-style-type: none">• Application may be picked up at:<ul style="list-style-type: none">○ Downtown London 123 King Street, London ON N6A 1C3 Phone: 519-432-9816 or 519-432-8389 Fax: 519-663-9966 www.downtownlondon.ca○ City of London, Planning Services 206 Dundas St., London ON Phone: 519-661-2500, ext. 7567 Fax: 519-661-5397• No application fee• Submit completed applications to Downtown London or Planning Services.
When would I receive the grant?	<ul style="list-style-type: none">• Commences after re-assessment by MPAC and the new tax rate has been paid for one year. Grant is paid out over a 10-year period. The DC grant may extend beyond year 10, continuing until all the DCs have been repaid to the applicant.•

How is the grant calculated?

Grant Level 3 Example			
Year	Tax Grant	DC Grant	Total Grant
1	60%	40%	100% of increment
2	60%	40%	
3	50%	50%	
4	40%	60%	
5	30%	70%	
6	20%	80%	
7	10%	90%	
8	10%	90%	
9	10%	90%	
10	10%	90%	

About Face Façade Improvement Grant



What is it?	<ul style="list-style-type: none">• A MainStreet London program that provides grant funding for downtown owners to improve their building façades
How does it work?	<ul style="list-style-type: none">• Property owner or business owner submits a proposal to MainStreet outlining the planned façade improvements.• Owner works with designers and contractors to get design plans and estimates (two quotes for all the work). Improvements consistent with Downtown Design Guidelines and as approved by Downtown London.• Properties in the Heritage Conservation District will require consultation and approval from a City of London Heritage Planner before designs can be approved.• MainStreet reviews plans and estimates and determines a grant amount. <u>The applicant must contribute financially to the project.</u> The grant will be coordinated with City of London incentive programs - property owners must apply for a Façade Loan as well.
What buildings are eligible?	<ul style="list-style-type: none">• All commercial buildings in the Downtown London area
What improvements are eligible?	<ul style="list-style-type: none">• Design and planning - part of the cost of retaining a designer• Storefront improvements - restoration or appropriate renovations• Repair or restoration of heritage elements - brick and stone repointing, window restoration, cornice work• Signage, lighting and awnings - new lighting, removal of back-lit signs, new awnings• Exterior improvements - repainting, cleaning brick, graffiti prevention, and so on
Who qualifies for assistance?	<ul style="list-style-type: none">• Registered property owner or business owner with approval of property owner.• Submit your proposal (application, design, estimates) and be approved to do the proposed work <u>prior to</u> starting the improvements.
Where do I apply?	<ul style="list-style-type: none">• Applications and design drawings should be submitted to:<ul style="list-style-type: none">◦ Downtown London 123 King Street, London ON N6A 1C3 Phone: 519-432-9816 or 519-432-8389 Fax: 519-663-9966 www.downtownlondon.ca• There is no application fee.
When would I receive the grant?	<ul style="list-style-type: none">• Upon completion of the approved work, and:<ul style="list-style-type: none">• inspection of the finished work to our satisfaction and as approved by City of London, and• after you have paid your contractors in full and submitted <u>paid</u> invoices (RECEIPTS) to MainStreet London for reimbursement.

Downtown Tenant Improvement Loan Program



What is it?

- A MainStreet London program that assists qualifying downtown businesses and/or property owners interested in improving their premises for use by a *creative, innovative, new, relocating or expanding business* that will attract new customers into the core.
- Qualifying business owners may be eligible for a five-year, interest-free loan to complete tenant improvements with approval from the property owner.
- **The final decision to provide the loan is solely at the discretion of the London Downtown Business Association and MainStreet London and may be denied if the funds are unavailable due to depletion of the loan fund.**

What buildings are eligible?

- All buildings in the Downtown area as defined by the City.

What improvements are eligible?

- Drywall
- Ceiling tiles
- Flooring
- Lighting
- Painting
- Design costs

Examples include but are not limited to this list.

What's not eligible? Examples include;

- Upgrades to meet building or fire code requirements
- Façade improvements

Check with MainStreet staff regarding additional incentive programs that assist with these expenses.

Who qualifies for assistance?

- Building owner (or tenant with a signed multi-year lease with the registered property owner)
- Owner must have 10% equity in the property
- **Must have submitted a Tenant Improvement Loan application prior to the improvements being undertaken**
- Must submit two quotes in support of the proposed improvements
- **The proposed tenant must be approved by MainStreet London prior to the application being submitted.**

Where do I apply?

- Application may be picked up, and submitted to:
Downtown London office
123 King Street, London ON N6A C3
Phone: 519-432-9816 or 519-432-8389
Fax: 519-663-9966 www.downtownlondon.ca

When would I receive the loan?

- Loan agreement has been signed
- Improvements have been completed
- An inspection has been carried out by MainStreet staff.

When do I begin repaying the loan?

- Six months after the loan has been issued
- Repaid on a monthly basis – 12 post-dated cheques each year (54 payments in total)
- May repay the loan balance at any time without penalty

What are the specific requirements for the application process?

Applicants must submit:

- Building Permit for the project
- Two estimates for the proposed work
- Business identification: articles of incorporation, partnership registration and/or trade name registration
- Business plan and last two years financial statements (if applicable)
- Insurance policy for premises and for the business
- Completed loan application
- Signed Credit Information Consent form
- Expense Worksheet showing the Eligible Improvement Items the tenant wishes to be considered in the loan application and copies of estimates from suppliers/contractors

What legal documents do we need to sign?

- Loan Agreement
- Independent Legal Advice
- Personal Guarantees (each partner)
- General Security Agreement
- Promissory Note

The applicant will also need to sign the repayment schedule to commit to the loan repayment plan.
