

**Downtown Central Business District Community Improvement Plan Tax Assistance
& Brownfield Community Improvement Plan Rehabilitation Grant Agreement**

BETWEEN:

THE CITY OF PORT COLBORNE
(hereinafter referred to as the “City”)

and

SouthPort Condos Inc.
(hereinafter referred to as the “Owner”)

WHEREAS the City has adopted a Downtown Central Business District Community Improvement Plan (DCIP) and a Brownfield Community Improvement Plan (BCIP) pursuant to Section 28 of the *Planning Act*;

AND WHEREAS the Owner is the registered Owner of the lands described in Section 1 and Schedule “A” to this agreement (the “subject lands”) which are located within the City of Port Colborne;

AND WHEREAS the Owner has made applications (the “application”) to the City for the Revitalization (Tax Increment) Grant Program (RGP) under the DCIP and the Brownfield Property Tax Assistance Program (TAP) under the BCIP;

AND WHEREAS the City has approved these applications and has agreed to provide a tax increment grant and tax assistance;

AND WHEREAS a condition of approval of these applications for a tax increment grant and tax assistance, the Owner is required by the City to enter into this Agreement (the “Agreement”);

1. INFORMATION ON SUBJECT LANDS

- 1.1 The tax increment grant and tax assistance shall apply to the subject lands as set out in Schedule “A” attached.

2. TAX ASSISTANCE/GRANT ELIGIBILITY

- 2.1 To be eligible for the tax increment grant and tax assistance, the development and remediation works on the subject lands (hereinafter referred to as "work"), shall conform to and fulfill:

- (a) the objectives and requirements of the RGP of the DCIP and TAP of the BCIP; and,
- (b) any other requirements as specified by the City

- 2.2 The Owner acknowledges that it has received and read a copy of the City’s DCIP RGP Guide (the “DCIP Guide”) and the City’s BCIP TAP Guide, and the Owner covenants with the City that the subject lands shall be rehabilitated and developed in accordance with the City’s objectives, policies and requirements set out in the Program Guides and the CIPs’.

3. TAX ASSISTANCE/GRANT CALCULATION AND PAYMENT

- 3.1 The annual tax assistance, in the form of a tax freeze under the TAP, will commence upon approval of this Agreement and will cease upon the earlier of:

- a) Sale or conveyance of the subject lands;
- b) Three (3) years from approval of this Agreement
- c) Commencement of grants under the RGP

- 3.2 The tax assistance will be calculated as the cumulative difference between property taxes on the subject lands at the time of approval of this Agreement and property taxes that would otherwise have been collected on the subject lands for up to three years, or parts thereof, following approval of this Agreement.
- 3.3 The tax assistance available under the Brownfield TAP shall not exceed the amount stipulated in Schedule B to this Agreement.
- 3.4 Municipal grants under the RGP will commence no more than three years following approval of this Agreement and upon cessation of tax assistance for the subject lands and will cease on the earlier of:
- a) ten (10) years from the date the tax assistance under the TAP ends; or
 - b) other termination of this Agreement.
- 3.5 The annual grant under the RGP will be calculated as a percentage of the increase in municipal property taxes on the subject lands that result from the development, with this percentage as identified in the table below.

| Year* | Grant Factor |
|-------|--------------|
| 1 | 80% |
| 2 | 80% |
| 3 | 80% |
| 4 | 80% |
| 5 | 80% |
| 6 | 80% |
| 7 | 80% |
| 8 | 80% |
| 9 | 80% |
| 10 | 80% |

- 3.6 The annual grant payments under the RGP shall be calculated according to the formulas and cost tables set out in Schedule C to this agreement.
- 3.7 The actual annual grant payments under the RGP will be based on the actual post-project assessed value (AV) as determined by the Municipal Property Assessment Corporation (MPAC) and actual City tax rates applicable for the year in which the annual grant is payable.
- 3.8 Where at any time after the original rehabilitation of the subject lands, new construction is added to the subject lands that is not part of the original program application, the available grant under the RGP will be calculated only in respect of the original revitalization contemplated and contained in the original application.
- 3.9 The tax assistance and annual grant payment under the RGP shall be calculated by the City based upon, and provided the City is satisfied in its discretion that rehabilitation of the subject lands took place in accordance with the proposed rehabilitation and revitalization works as specified in the applications, supporting documentation provided by the Owner, and this Agreement;
- 3.10 Tax assistance under the TAP and payment of the grant under the RGP is subject to the City's review of and satisfaction with all reports and documentation submitted in support of actual costs incurred for eligible works. Any and all of these costs may be, where required by the City, subject to verification, third party review or independent audit, at the expense of the Owner.
- 3.11 The Owner shall not be entitled to tax assistance under the TAP and/or a grant payment under the RGP unless and until they have met all the conditions of this Agreement to the satisfaction of the City. Except where expressly stated in this Agreement, all conditions in this Agreement are for the benefit of the City and may only be waived by the City. No waiver is effective unless in writing.
- 3.12 The total value of the tax assistance that may be provided to the Owner under the TAP shall not exceed the actual total eligible TAP costs that have been approved by the City.

- 3.13 The tax assistance that has been provided to the Owner under the TAP, or any part thereof, will become repayable (including interest) upon notice in writing from the City that one or more of the terms and conditions set out in the application, this Agreement or the TAP have not been met.
- 3.14 The total sum value of the annual grant payments that may be provided to the Owner under the RGP shall not exceed the actual total eligible RGP costs that have been accepted by the City.
- 3.15 The grant payments that have been provided to the Owner under the RGP, or any part thereof, will become repayable upon notice in writing from the City that one or more of the conditions set out in the application, this Agreement, or the RGP have not been met.
- 3.16 Grants are not payable by the City under the RGP until such time as MPAC has reassessed the value of the property upon project completion; the additional assessment eligible for a grant has been added to the assessment roll by the MPAC; property taxes have been billed by the City; and property taxes have been paid in full for one year on the property.
- 3.17 Annual grant payments to the Owner under the RGP are subject to reduction, at the City's discretion, by the amount of any property tax arrears with respect to any part of the subject lands, provided that if, in any subsequent years the property tax arrears are collected, the applicable grant amount which would have been payable with respect to such arrears shall be paid by the City to the Owner.
- 3.18 The grant is not payable by the City under the RGP until such time as all assessment appeals relating to the value of the subject lands before the additional assessment or as to the additional assessment as a result of the revitalization of the subject lands have been filed and decided.
- 3.19 The first grant payment under the RGP as finally determined by the City shall be paid to the Owner by the City, subject to the provisions of this Agreement, following completion and occupancy of the said redevelopment of the subject lands, and after the property taxation year in which the property taxes increase as a result of the completed revitalization.
- 3.20 In the event that the accepted rehabilitation works as described in the Brownfield TAP application have not commenced within three (3) years of Council's approval of this Agreement, this Agreement shall be at an end, and no tax assistance under the Brownfield TAP or grant payments under the RGP shall be paid to the Owner. The City's decision as to when such works are commenced is final.
- 3.21 In the event that the accepted works as described in the RGP application are not completed within six (6) years of the Council approval of this Agreement, this Agreement shall be at an end, and no grant payments under the RGP shall be paid to the Owner. The City's decision as to when such works are completed is final.
- 3.22 Annual grant payments under the RGP will not be provided by the City until the Owner has satisfied the City that:
- a) The development work on the subject lands has been completed in accordance with the work as described in the RGP application;
 - b) The Owner has supplied the City with the actual amount of the eligible RGP costs incurred by the Owner;
 - c) There are no outstanding work orders and/or orders or requests to comply from any City department or other regulatory authority in respect of the subject lands, and the business of the Owner conducted on the subject lands;
 - d) The Owner and the subject lands are in full compliance with:
 - i) Any agreement(s) relating to the property in favour of the City, including any agreement relating to: subdivision, modified subdivision, service, site plan approval, encroachment, joint sewer & water use, easement or other agreement; and,
 - ii) By-laws of the City and provincial or federal legislation and regulations.

- e) There are no unpaid charges, where applicable, against the subject lands in favour of the City, including but not limited to: development charges, parkland dedication fees, special assessments and local improvement charges;
- f) The Owner has not appealed the post-project assessed value and there exists no other pending appeal which has not been settled completely in respect of the post-project assessed value; and,
- g) The Owner has paid all real property taxes assessed against any part of the subject lands owned by the Owner.

4. CORPORATE STATUS

4.1 The Owner warrants and represents to the City that:

- a) The Owner has been duly incorporated as a corporation and is in good standing under the *Business Corporations Act* and is in compliance with all laws that may affect it and will remain so throughout the term of this Agreement;
- b) The Owner has the corporate capacity to enter into this Agreement and to perform and meet any and all duties, liabilities and obligations as may be required of it under this Agreement;
- c) the Owner is a resident of Canada as of the date of this Agreement and that in the event the Owner ceases to be a resident of Canada, the Owner shall immediately notify the City, and it is agreed, the City may deduct from any or all annual grant payments, such sum(s) as may be required by Canada Customs and Revenue Agency in order to meet the City's obligations as a payer and the Owner's obligations under the *Income Tax Act (Canada)* and other applicable laws.
- d) to the best of its knowledge and belief, there are no actions, suits or proceedings pending or threatened against or adversely affecting the Owner in any court or before or by any federal, provincial, city or other governmental department, commission, board, bureau or agency, Canadian or foreign, which might materially affect the financial condition of the Owner or title to their property or assets; and,
- e) The Owner shall notify the City immediately of any material change in the conditions set out in paragraphs (a)-(d) above.

5. PROVISIONS RELATING TO THE OWNER

- 5.1 At the time the Owner signs this Agreement, the Owner will provide the City with a certified true copy of a resolution of the Board of Directors of the Owner (certified by an officer of the corporation) that authorizes the Owner to enter into this Agreement with the City.
- 5.2 The Owner shall rehabilitate and revitalize the subject lands in accordance with the plans submitted to the City to the extent such plans have been accepted by the City for purposes of the applications and this Agreement.
- 5.3 The Owner shall not commence any works that are the subject of funding under the Brownfield TAP and/or RGP prior to receiving approval from the City.
- 5.4 The Owner agrees that the rehabilitation and revitalization of the subject lands and buildings thereupon shall be made in compliance with all required building permits, and constructed in accordance with the Ontario Building Code and all applicable zoning by-law requirements, city requirements and other approvals required at law.
- 5.5 The Owner covenants to the City that building(s) and improvements that are the subject of this Agreement will not be demolished, in whole or in part, prior to the advance of all of the grant payments, save and excepting demolition required due to earthquake damage, fire damage or similar.
- 5.6 Upon completion of the works, the Owner shall provide the City with documentation satisfactory to the City as to the amount of the eligible TAP costs actually incurred by the Owner, and the City shall, in its sole discretion, designate the approved total tax assistance available under the TAP.

- 5.7 Upon completion of the work, the Owner shall provide the City with documentation satisfactory to the City as to the amount of the eligible RGP costs actually incurred by the Owner, and the City shall, in its sole discretion, designate the approved grant available under the RGP, the amount of which shall be reviewed annually with respect to actual taxes paid for up to ten years.
- 5.8 The Owner will provide to the City, upon request, a rehabilitation and revitalization status report signed by the Owner to confirm the status and completion of the approved eligible works, including, but not limited to, the rehabilitation and revitalization schedule, the existence and extent of any faults or defects, the value of the work done under any contract, the amount owing to any contractor and the amounts paid or retained by the Owners on any contract.
- 5.9 The Owner shall ensure there are no liens or other claims outstanding in respect of the subject lands, including its rehabilitation and revitalization, all accounts for work and materials which could give rise to any claim for a construction lien against the subject lands have been paid; and there is no default by the Owner with respect to any of the terms of this Agreement.
- 5.10 The Owner shall ensure that the Owner is in compliance with the *Construction Act*, including its holdback provisions and is not aware of any potential or unresolved Lien claim in respect of the redevelopment.
- 5.11 The Owner covenants to the City that the Owner shall use the subject lands in compliance with this Agreement, all city by-laws pertaining to use, and all applicable environmental laws.
- 5.12 The Owner covenants to the City that the Owner will require, as a term of every lease, that tenants of the subject lands comply with all city by-laws pertaining to use, and all applicable environmental laws.
- 5.13 The Owner agrees to comply with all outstanding work orders and/or orders or requests to comply from any and all City departments during the term of this Agreement.
- 5.14 The Owner covenants to the City that the Owner shall not commit or permit any waste to be dumped or any nuisance upon the subject lands, or permit any part of the subject lands to be used for any dangerous occupation or business or for any noxious or offensive trade.
- 5.15 The Owner's lawyer shall provide the City, prior to the City's execution of this Agreement with their Lawyer's Certificate of Title and Registration to certify to the City, in a form satisfactory to the City's Corporate Counsel that:
- a) The Owner named in this Agreement is the registered Owner of the subject property;
 - b) The Agreement has been executed on behalf of the corporate Owner by individual(s) who have authority to bind the corporate Owner; and,
 - c) A complete legal description of the subject lands is set out in Schedule "A" of this Agreement.
- 5.16 The Owner may assign the tax assistance and/or the grant approved under this Agreement to an assignee, provided the Owner is not in default of any of the terms and conditions set out in the application, this Agreement, the TAP and the RGP and provided that the written consent of the City is obtained prior to the assignment. The parties agree that this Agreement may be assigned by the Owner to a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), or a Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company for the purpose of financing the development of the subject lands, provided that any such assignment shall not relieve or release the Owner from the conditions and obligations set out herein.
- 5.17 In the event that after this Agreement is executed, the ownership of part or all of the subject lands ceases for any reason to be in the Owner's name while grant payments remain to be paid, the Owner shall be entitled to and shall continue to receive the remaining grant payments and the Owner shall fulfill any obligations and maintenance conditions under this Agreement that have not been fulfilled. The purchaser of part or all of the subject lands shall not have any present or future claim and/or entitlement to any

remaining grant payments and the Owner shall obtain a written acknowledgement from each purchaser of all or part of the subject lands that the Purchaser, for itself, its successors and assigns waives any present or future claim and/or entitlement to such grant, whether such grants are in the form of actual payments, rebate of charges otherwise payable or refunds or rebates on property taxes or other amounts paid or payable with respect to the subject lands.

- 5.18 If the Owner wishes to assign the remaining grant payments to an assignee, the City may as a condition of its consent, require that the assignee enter into an agreement with the City whereby the assignee assumes all of the Owner's obligations and maintenance conditions under this Agreement.
- 5.19 The Owner will be responsible for ensuring that it can be contacted by the City for the purpose of delivering grant cheques.
- 5.20 The Owner acknowledges that, without limiting the generality of the other provisions of this Agreement:
- a) The onus and responsibility is upon the Owner at all times to assume all costs of works on the subject lands and to apply for and obtain, at the Owner's expense, all approvals required from the City and all other agencies for the rehabilitation of the subject property, including but not limited to all Official Plan Amendments, Zoning By-law amendments, minor variances, and site plan approval;
 - b) Nothing in this Agreement limits or fetters the City in exercising its statutory jurisdiction under the *Planning Act* or under any other legislative authority or by-law, and that in the event the City decides to deny or oppose or appeal any such decision, that such action by the City is not in any manner limited by reason of the City entering into this Agreement;
 - c) The Owner releases the City from any liability in respect of the City's reviews, decisions, inspections or absence of inspections regarding the rehabilitation works that are subject of this Agreement, the Owner agrees that it is its responsibility at all times to prepare and implement its rehabilitation works as would a careful and prudent landowner;
 - d) Nothing in this Agreement is intended to impose or shall impose upon the City any duty or obligation to inspect or examine the land for compliance or non-compliance or to provide an opinion or view respecting any condition of development; and,
 - e) Nothing in this Agreement is intended to be or shall be construed to be a representation by the City regarding compliance of the land with:
 - i) Applicable environmental laws, regulations, policies, standards, permits or approvals; or,
 - ii) Other by-laws and policies of the City.
- 5.22 The Owner shall indemnify and save harmless from time to time and at all times, the City and its officials, officers, employees, and agents from and against all claims, actions, causes of action, interest, demands, costs, charges, damages, expenses and loss made by any person arising directly or indirectly from:
- a) The City entering into this Agreement; and
 - b) Any failure by the Owner to fulfil its obligations under this Agreement.

This indemnification shall, in respect of any matter arising prior to the termination of this Agreement, remain in force following termination or expiry of this Agreement.

6. PROVISIONS RELATING TO THE CITY

- 6.1 The City agrees to provide a grant to the Owner with said grant to commence at the end of the tax assistance period and ceasing on the earlier of:
- a) the point in time when the total of all annual grant payments provided equals total eligible RGP costs that have been accepted by the City;

- b) Ten (10) years following the cessation of the tax assistance period.
- 6.2 On an annual basis, the City, upon being satisfied that the Owner is not in default of any of the terms and conditions set out in the application, this Agreement, and the RGP, shall pay the annual grant payment in accordance with this Agreement.
- 6.3 If the Owner cannot be reached over a protracted period (more than 2 years), the City will have the option, without notice and at its own discretion, of terminating this Agreement and all future grant payments to the Owner.
- 6.4 If in the opinion of the City, the property is not maintained in its rehabilitated condition, and the Owner has not remedied such defaults following reasonable notice, the City may, at its sole discretion, terminate tax assistance and/or all future grant payments and require repayment of the tax assistance and/or grant payments already provided by the City to the Owner.
- 6.5 The City, its employees and agents are entitled to inspect the subject lands at any time during business hours for the purpose of ascertaining their condition or state of repair or for the purpose of verifying compliance with the application, this Agreement, and the RGP.
- 6.6 The City retains the right at all times to delay or cancel tax assistance and/or grant payments, and/or require repayment of tax assistance and/or grant payments already made to the Owner, and/or terminate this Agreement if the Owner is not in compliance with this Agreement, and has not corrected such non-compliance following reasonable notice from the City. In particular, without limiting the generality of the foregoing, the tax assistance and the grant is conditional upon periodic reviews satisfactory to the City to there being no adverse change in the rehabilitation works and to there being compliance on the part of the Owner with all other requirements contained in this Agreement.
- 6.7 Communications from the City to the Owner may be addressed to the Owner at the address of the Owner listed in Section 9 of this Agreement.

7. DEFAULT AND REMEDIES

- 7.1 On the occurrence of default under this Agreement the City shall be entitled to its remedies to enforce this Agreement, including, but not limited to:
 - a) Delaying or cancelling tax assistance and/or grant payments; and/or,
 - b) Requiring repayment to the City by the Owner of all tax assistance and/or grant payments already made to the Owner; and/or,
 - c) Terminating the Agreement.
- 7.2 The Owner agrees and covenants to the City that if the building(s) and improvements that are the subject of this Agreement are demolished for reasons other than severe damage due to earthquake, fire or the like, in whole or in part, prior to the expiration of the term of this Agreement, all subsequent grant payments shall cease.
- 7.3 Default shall be deemed to occur upon any default of the Owner in complying with the terms set out in this Agreement, following reasonable notice, including, but not limited to, the following:
 - a) Non-compliance with any City by-laws, provincial, and/or federal laws and regulations;
 - b) Failure to pay and keep in good standing all real property taxes with respect to any parts of the subject lands owned by the Owner;
 - c) Any representation or warranty made by the Owner is incorrect in any material respect;
 - d) Failure to perform or comply with any of the obligations contained in this Agreement entered into between the Owner and the City;
 - e) The Owner makes an assignment for the benefit of creditors, or assigns in bankruptcy or takes the advantage in respect of their own affairs of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of

bankrupt or insolvent debtors, or if a receiving order is made against the Owner, or if the Owner is adjudged bankrupt or insolvent, or if a liquidator or receiver is appointed by reason of any actual or alleged insolvency, or any default of the Owner under any mortgage or other obligation, or if the subject lands or interest of the Owner in the subject lands becomes liable to be taken or sold by any creditors or under any writ of execution or other like process;

f) This Agreement is forfeited or is terminated by any other provision contained in it.

7.4 The City shall provide the Owner with notice of default and provide a reasonable period for the correction of any item of default. At the option of the City, payments by the City to the Owner shall be suspended until the item of default has been corrected.

8. ADDITIONAL PROVISIONS

8.1 This Agreement shall remain in effect from the date of its execution by the City to the earlier of:

- a) The time when the City informs the Owner in writing that due to the non-fulfilment or non-compliance with a required condition or due to default, this Agreement is terminated;
- b) The time when the total amount of the tax assistance and grants paid out to the Owner equals the total accepted eligible costs under the TAP and RGP, respectively;
- c) Ten (10) years after the tax assistance period.

8.2 Time shall be of the essence with respect to all covenants, Agreements and matters contained in this Agreement.

8.3 Schedule “A”, Schedule “B” and Schedule “C” attached to this Agreement form part of the Agreement.

9 NOTICES

9.1 Where this Agreement requires notices to be delivered by one party or the other, such notice shall be given in writing and delivered either personally, by e-mail, by fax or by prepaid first call mail by the party wishing to give such notice to the other party at the address noted below:

To the Owner at:

SouthPort Condos Inc.
c/o Tom Rankin
222 Martindale Road
St. Catharines, ON L2R 7AR
Ph: 905-684-1111
Fax: 905-684-2260

To the City at:

City of Port Colborne
c/o Amber LaPointe
66 Charlotte Street
Port Colborne Ontario, L3K 3C8
Ph: 905-835-2900 ext 106
Fax: 905-835-2939

THIS AGREEMENT shall be binding upon the parties and their heirs, executors, successors and assigns.

IN WITNESS WHEREOF the parties duly execute this Agreement:

| | |
|------------------------------|---|
| SIGNED, SEALED AND DELIVERED |) THE CITY OF PORT COLBORNE |
| In the presence of |) |
| |) |
| |) |
| |) |
| |) _____ |
| |) Mayor William C. Steele |
| |) |
| |) |
| |) _____ |
| |) Amber LaPointe City Clerk |
| |) |
| |) |
| |) SouthPort Condos Inc. |
| |) |
| |) |
| |) _____ |
| _____ |) Tom Rankin: |
| WITNESS |) Owner |
| |) I/We have the authority to bind the Corporation |

Note: If the Business is a registered Ontario Corporation, a Witness is not required.

Schedule "A"

Of an Agreement between the City of Port Colborne and the Owner named in this Agreement.

Name of Registered Property Owner SouthPort Condos Inc.

Address of Subject Lands 100, 118 and 124 West Street
21 Adelaide Street, 14 and 18 Victoria Street

Assessment Roll Number(s)
010 018 08100 0000
010 018 08400 0010
010 018 07800 0000
010 018 03500 0000
010 018 08500 0000

Mailing Address of Property Owner (where different from address of subject lands):

222 Martindale Road, St. Catharines, ON L2R 7AR Tel. No: 905-684-1111
Fax No: 905-684-2260

E-mail: Tom Rankin <trankin@rankinconstruction.ca>

Legal Description of Subject Lands

1STLY: WELLAND CANAL RESERVE LAND BEING PART OF WEST ST, PLAN 987, 988 AND 989 AS IN AA90994; 2NDLY: LT 6 W/S WEST ST PL 987-989 PORT COLBORNE; PT LT 7 W/S WEST ST PL 987-989 PORT COLBORNE PT 2, 59R8922; S/T RO679536; PORT COLBORNE; 3RDLY: PT LT 7 W/S WEST ST PL 987-989 PORT COLBORNE AS IN RO652604; LT 8 W/S WEST ST PL 987-989 PORT COLBORNE; LT 9 W/S WEST ST PL 987-989 PORT COLBORNE; PT LT 10 W/S WEST ST PL 987-989 PORT COLBORNE AS IN RO652604; S/T RO679536 PORT COLBORNE; 4THLY: PT LT 10 W/S WEST ST PL 987-989 PORT COLBORNE; PT WEST ST PL 987-989 PORT COLBORNE AS IN RO685463; 5THLY: PT LT 1 N/S ADELAIDE ST PL 987-989 PORT COLBORNE PT 1, 59R6635; 6THLY: PT LT 10 W/S WEST ST PL 987-989 PORT COLBORNE AS IN RO746766; 7THLY PT LT 1 S/S VICTORIA ST PL 987-989 PORT COLBORNE AS IN RO548477 EXCEPT PART 1 59R16826; CITY OF PORT COLBORNE (PIN 64163-0335 LT)

Schedule "B"

Downtown Central Business District CIP – Revitalization (Tax Increment) Grant

| | | | |
|------|---|---------------|---|
| (1) | estimated Total Construction Cost | \$23,760,215 | E |
| (2) | Estimated cost of approved eligible works | \$21,547,075 | |
| (3) | Pre-project assessed value (AV): | \$1,110,048 | |
| (4) | Pre-project City property taxes | \$14,116 | |
| (5) | Pre-project Region property taxes | \$ 9,472 | |
| (6) | Pre-project Education property taxes | \$ 7,485 | |
| (7) | Post-project assessed value (AV): | \$ 19,089,271 | |
| (8) | Post-project City property tax rate | .00861420 | |
| (9) | Post-project Region property tax rate | .00566267 | |
| (10) | Post-project Education property tax rate | .0016100 | |
| (11) | Post-project City property taxes | \$ 193,678 | |
| (12) | Post-project Region property taxes | \$ 144,560 | |
| (13) | Post-project Education property taxes | \$ 42,050 | |

Tax Increment = (Post-project City property Taxes + Post-project Region property taxes) – (Pre-project City property taxes + Pre-project Region property taxes)

= \$314,651

RGP Grant = Tax Increment*0.80

=251,721

Schedule "B" Continued

TAX INCREMENT GRANT CALCULATION

| | Pre Development | Project Completion | Tax Increment | % of Tax Increment | Annual Grant |
|------------------|-----------------|------------------------|---------------|--------------------|--------------|
| Assessment Value | \$1,110,048 | \$ 19,089,271 | | 80% | |
| Municipal Taxes | \$14,116 | \$ 193,678 | \$179,562 | \$143,650. | \$143,650 |
| Regional Taxes | \$9,472 | \$ 144,560 | \$135,089 | \$108,071 | \$108,071 |
| Total | \$23,587 | \$338,238 | \$314,651 | \$251,721 | \$251,721 |
| | | Duration of Grant | | | 10 years |
| | | Total Payment of Grant | | | \$2,517,206 |

**Please note the Downtown Central Business District CIP Revitalization (Tax Increment) Grant Program is being used instead of the Brownfield Rehabilitation Grant Program to calculate tax incentives but the Brownfield Property Tax Assistance Program is being used to enable a three year tax freeze.*

Schedule "C"

Brownfield Tax Assistance Eligible Items

| Eligible Cost Item | Estimated Cost (\$) |
|--|----------------------------|
| Any costs of Phase II ESA's, Designated Substances and Hazardous Materials Survey, Remedial Work Plans and Risk Assessments not covered by the Environmental Site Assessment Grant Program | \$72,500 |
| Environmental Remediation including the cost of preparing an RSC | \$632,240 |
| Placing clean fill and grading | \$233,500 |
| Installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment | \$0 |
| Monitoring, maintaining and operating environmental and engineering controls/works as specified in the Remedial Work plan and/or Risk Assessment | \$ 0 |
| Environmental Insurance Premiums | \$ 0 |
| Total Costs Eligible for Property Tax Assistance (Sum Costs 1-6 above) | \$938,240 |
| Any costs of Feasibility Study not covered by the Feasibility Study Grant Program | \$ 30,000 |
| The following LEED components: | \$ 0 |
| Base plan review by a certified LEED consultant | \$ 0 |
| Preparing new working drawings to LEED standard | \$ 0 |
| Submitting and administering the constructed element testing and certification used to determine the LEED designation | \$ 0 |
| Increase in material/construction cost of LEED components over standard building code requirements to a maximum of 10% of total construction costs. | |
| Building demolition (excluding permit fees) | \$325,000 |
| Building Rehabilitation and Retrofit Works (excluding permit fees) | \$ 0 |
| Upgrading on-site infrastructure including water services, sanitary sewers and stormwater management facilities | \$668,480 |
| Construction/upgrading off-site infrastructure including roads, water services, sanitary sewers, stormwater management facilities, electrical/gas utilities, where this is required to permit remediation, rehabilitation and/or adaptive reuse of property that is subject of the application | \$340,360 |
| Total Eligible Costs Eligible for Brownfield Tax Assistance Program | <hr/> \$2,302,080 |

**Please note the Downtown Central Business District CIP Revitalization (Tax Increment) Grant Program is being used instead of the Brownfield Rehabilitation Grant Program to calculate tax incentives but the Brownfield Property Tax Assistance Program is being used to enable a three year tax freeze.*