



Mayor's Office
709-489-0412

CAO
709-489-0407

Corporate Services
709-489-0400

Community Services
709-489-0450

Public Works & Development
709-489-0427

Town of Grand Falls-Windsor Developer Incentive Program (DIP)

Important Dates:

Program effective date: April 1, 2024.

Program end date: December 31, 2036

Applicants may be accepted into the program until: December 31, 2027

1. This incentive program is intended to stimulate land development for new housing construction with specific enhanced emphasis on higher-density housing (duplex, triplex, quadplex) construction. Incentive payments are primarily meant to help offset the costs related to construction of a roadway, water, sewer, storm sewer, and other infrastructure necessary to get to the first new housing lot in new subdivision areas or to expansion areas for existing approved subdivisions. Funding from the Federal Governments and property taxes normally collected on new property lot development are Council's funding sources for this Incentive Program.
2. The incentive will be provided to the developer to apply against their up-front costs based on their plan of expected units in the first three years of construction or ending December 31, 2027.

The payment schedule will be as follows:

- 20% of the incentive will be paid upon signing of the agreement.
 - 60% of the incentive will be paid once construction commences.
 - 20% of the incentive will be paid once construction is complete with all the required infrastructure to the first lot (as per the subdivision agreement).
3. Incentive payments will be based on the number of lots fully developed for housing (water and sewer connections available and grading complete).

Incentive payments are as follows:

- \$2,000 base payment for each developed lot regardless of housing type (Single Family Home (SFH), Duplex, Triplex, Quadplex)
- Additional \$7,500 bonus payment for each housing lot serviced for an additional unit. For instance, a duplex would receive a total incentive of \$9,500 (\$2,000 base + \$7,500 bonus). A quadplex would get a total of \$24,500 (\$2,000 base + (\$7,500 bonus x 3 additional units)). Payments for additional units will be reduced to \$2,500 per unit for all units developed after December 31, 2027.

Examples of incentive payments and how they are recovered by the Town are as follows:

- A developer has a 10-year plan for subdivisions which total 200 SFH units. 50 in year 1-3 and 150 in years 4-10.
 - The Developer would receive a \$100,000 incentive from the Town (as per [3.a.] above) towards their initial costs (50 units @ \$2,000 each). The Town would track the developed lots each year and report to the developer.

- A developer has a 3-year plan for a subdivision of 50 units. 25 are SFH, 15 are duplexes, and 10 are quads. The Developer would receive a \$387,500 incentive from the Town (as per [3.a.] above) towards their initial costs as broken down below:
 - 25 SFH (\$2,000 base x 25 units =50,000);
 - plus 15 Duplex structures (15 structures x \$2,000 base) + (15 bonus units x \$7,500 bonus) = \$112,500;
 - plus 10 Quad structures (10 structures x \$2,000 base) + (30 bonus units x \$7,500 bonus) =\$225,500
 - Totals a + b + c = \$387,500.

The Town will determine what projects are eligible to participate in this program based on numbers of units reasonably forecasted for construction during the program period. In short, the Town wants the maximum living units in the shortest period for its measure of return on investment. Successful proponents of the program will be advised in writing. The Town requires annual reporting and updates from the developer as to the progress of its development.

All projects accepted under this program are subject to the advance approval of Council. The Council will assess projects for entry into this program based on the number of lots to be developed, the number of units forecasted overall and the anticipated timing of the lots being available to the public.

Developers who don't construct sufficient building lots and/or don't attract sufficient units, whereby the incentive provided exceeds the actual units developed will owe the balance or shortfall as a debt to Council that will be payable within one year once the program agreement ends on December 31, 2036. Interest will apply on debts owed to the Town as per Council policy.

4. Participation in this incentive program is a separate agreement from any subdivision agreements, but entering into a new subdivision agreement is a prerequisite for this program. No existing development agreements or infilling projects will fall under this program.

5. Taxes for new development will be as follows:
 - Until this program expires on December 31, 2036, the subdivisions qualified under this program will be considered as one property for taxation purposes. Property tax will not be applied to individual lots until lots are sold or a building permit is issued. Property tax will be applied to the value of the land in the subdivision.
 - One water rate per subdivision will be charged by the Town except for individual lots that are sold or when a building permit is issued, as per 5.a. above.
 - After a period of 10 years from the start of the subdivision agreement and entry into this program, any unsold lots that remain in a subdivision will be separated into individual lots as per the development plan or, if necessary, will be separated into individual lots at the direction from the Town and will be taxed according to regular Town policy.

6. Consequence if a Developer withdraws from the incentive program, or the incentive agreement or their subdivision agreement.
 - If the developer stops development, the remaining land closest to services becomes property of the Town up to the amount initially invested as per 1 above.
 - Or the Developer must immediately pay the Town the value of the incentive earned for land developed up to the point of withdrawing from the Program.

7. The maximum payout per subdivision is subject to an advance agreement with the Town but shall not exceed \$500,000 for any one agreement. The Town will enter into agreements on a "first come first served" basis subject to budget constraints and overall housing supply forecasted against known housing demands, as determined by Council.

8. In development areas that present opportunities for significantly enhancing the available numbers of lots that may be developed but are limited because of unique infrastructure requirements needed to achieve those lots and corresponding additional capital costs; the Council may consider infrastructure investments for such special and extraordinary projects. The Director of PW&D must agree that a barrier identified by the developer is a qualifying barrier for the program and that the barrier is feasible for the Council to make an investment or to share the cost. Extraordinary capital projects referred to in this section more specifically references capital work in a defined housing development area, that's also capital work beyond and outside of road infrastructure required for getting to the first sellable lot. The council does reserve the right to reject any proposals for covering the cost of special and extraordinary infrastructure projects without providing a rationale. Financing terms related to special and extraordinary capital needs may include cost-sharing arrangements and other necessary terms to be negotiated.

9. The Council reserves the right to cancel this program at any time without notice, reasoning, or explanation. An annual review of the program will be undertaken to ensure allocated funds are impacting development as expected and intended. Any preexisting approved Incentive Program agreements will be honored even if the program is terminated by Council.



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Contact Information

For more information, application forms, or to discuss your project proposal, please contact:

Public Works and Development Department

Town of Grand Falls-Windsor

PO Box 439

5 High Street

Grand Falls-Windsor, NL

A2A 2J8

709-489-0427

Email: incentiveprogram@townofgfw.com

THE TOWN OF GRAND FALLS-WINDSOR

By: 

Name: Barry Manuel

Title: Mayor

By: 

Name: Darren Finn

Title: CAO

Approved by Council at meeting #594

on June 18, 2024

TOWN OF GRAND FALLS-WINDSOR

P.O. Box 439 | 5 High Street
Grand Falls-Windsor, NL | A2A 2J8
www.grandfallswindsor.com

