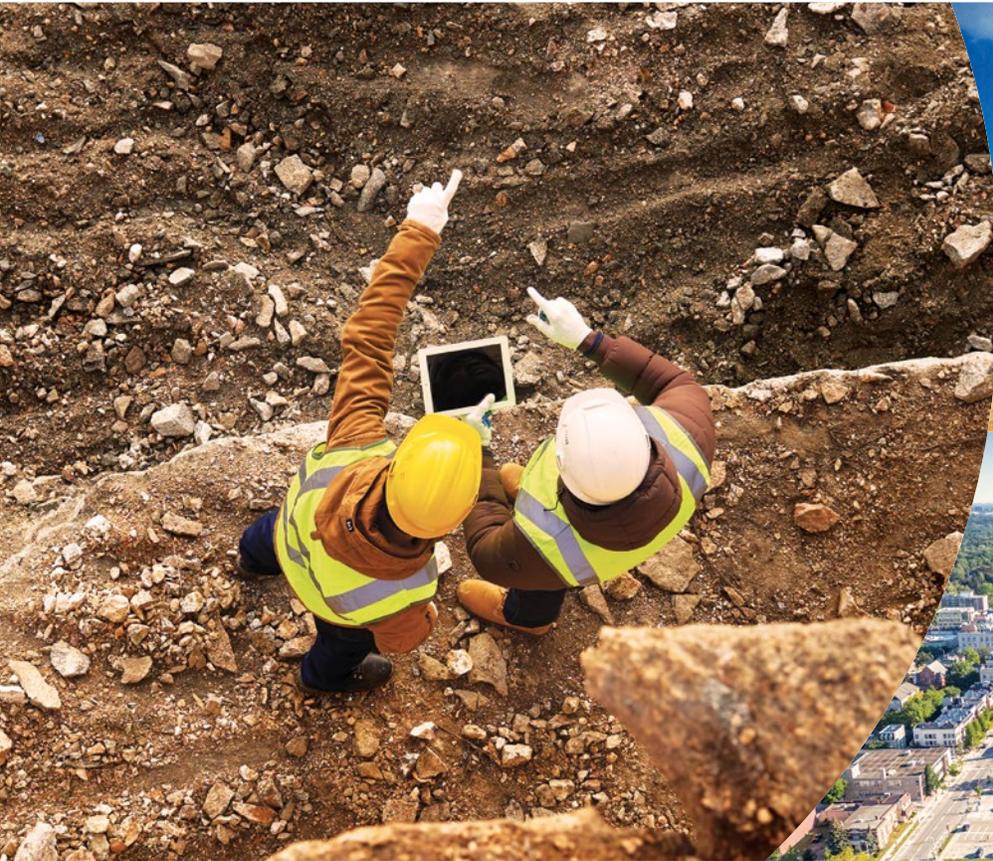




OAKVILLE

TAX INCREMENT
GRANT (TIG)

PROGRAM GUIDE



1. Program description

The purpose of the **Tax Increment Grant (TIG) Program** is to encourage the environmental remediation, renovation, adaptive re-use, expansion of existing buildings, and the development of brownfield sites. This program provides a grant to help pay for environmental site assessment, remediation and risk assessment/ risk management costs, other non-environmental remediation costs normally associated with brownfield site redevelopment, and other costs associated with the design and construction of environmentally sustainable and high quality buildings and the provision of affordable, assisted, and special needs housing.

2. What types of projects are eligible for the Tax Increment Grant Program?

Only properties where environmental remediation and/or risk assessment/risk management is required to permit the proposed use and projects that result in an increase in property assessment and property taxes will be eligible for funding under the program

3. Who can apply?

Only owners of properties within the Community Improvement Project Area that meet the program eligibility requirements may apply. The Community Improvement Project Area includes all lands within the Urban Area of the Town of Oakville. The boundary of this area is shown in the attached figure.

The Town retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the Town or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application.

Application can be made for the Tax Assistance Program or the Tax Increment Grant Program, or both programs. If you make application and are approved for both programs, the annual grant available under the Tax Increment Grant Program (as applicable) will commence once the tax assistance under the Tax Assistance Program ends.



4. What costs are eligible for the tax increment grant?

“Eligible costs” for this program are the costs of any action taken to reduce the concentration of contaminants on, in or under the property to permit a record of site condition (RSC) to be filed in the Environmental Site Registry under Section 168.4 of the *Environmental Protection Act*, plus other costs including demolition, building rehabilitation and achieving Leadership in Energy and Environmental Design (LEED) Certification. This includes the costs of:

- a) a Phase I ESA, Phase II ESA, Designated Substances and Hazardous Materials Survey, Remedial Work Plan, and Risk Assessment/Risk Management Plan not disbursed by the Environmental Study Grant (ESG) Program or the Tax Assistance Program (TAP);
- b) environmental remediation, including the costs of preparing a RSC, not disbursed by the TAP;
- c) placing, grading and compaction of clean fill required to replace contaminated soils/fill disposed of off-site not disbursed by the TAP;
- d) installing, monitoring, maintaining and operating environmental and/or engineering controls/ works, as specified in the Remedial Work Plan and/or Risk Assessment/Risk Management Plan, not disbursed by the TAP;
- e) environmental insurance premiums not disbursed by the TAP;
- f) the following LEED Program Components¹:
 - i) base plan review by a certified LEED consultant;
 - ii) preparing new working drawings to the LEED standard;
 - iii) submitting and administering the constructed element testing and certification used to determine the LEED designation;
 - iv) increase in material/construction cost of LEED components over standard building code requirements;
- g) demolishing buildings (excluding permit fees); and,
- h) building rehabilitation, renovation, and retrofit works (excluding permit fees).

¹ Maximum total of items f) i) to iv) is 10% of total construction costs.



5. How does the Program work?

The program is structured as a “pay-as-you go” program. The owner is expected to initially pay for the entire cost of the project. Then, as the Town receives the increased property taxes that result from the completed project, the Town will reimburse the owner in the form of an annual grant. The annual grant will equal between 60% and 100% of the Town property tax increase that results from the project for up to 12 years. As shown in the attached **Figure 1**, the duration of the annual grant depends on the location of the project (Priority Area 1, 2 or 3), and the percentage of the grant depends on the as-built project’s achievement of various housing, employment, design, and sustainability targets (**see Attachments A to D**). The annual grant will be paid for the duration of the grant term, or up to the point in time when total grant payments equal total eligible program costs as outlined in 4) above, whichever comes first.

In no case will the total amount of the tax increment grant provided for an eligible property exceed the total eligible program costs as noted in 4) above.

The Town may also establish a maximum total grant that can be paid under this program per application/property/project.

6. What conditions must be met to be eligible for a tax increment grant?

In addition to the General Program Requirements, the following program specific requirements must also be met:

- a) Applications must be accompanied by:
 - i) a Phase I ESA and also a Phase II ESA that shows that the property does not meet the standards under subparagraph 4i of Section 168.4(1) of the *Environmental Protection Act* to permit a Record of Site Condition (RSC) for the proposed use to be filed in the Environmental Site Registry;
 - ii) all other available environmental studies conducted on the property;
 - iii) a Remedial Work Plan or a Work Plan for Risk Assessment/Risk Management including a description of the proposed remediation, risk assessment/risk management actions to be taken, including the methods, approaches and technologies to be used;



- iv) two (2) cost estimates prepared by qualified persons (as defined by the *Environmental Protection Act* and Ontario Regulation 153/04) for the proposed environmental remediation and risk assessment/risk management actions to be conducted on the property;
- v) a set of detailed architectural/design and/or construction drawings for the proposed development of the site;
- b) All property owners participating in this program will be required to enter into an Agreement with the Town which will specify the terms and conditions of the grant.
- c) The applicant must upon completion of remediation/risk assessment, file in the Environmental Site Registry a Record of Site Condition (RSC) for the property signed by a qualified person, and the applicant shall submit to the Town proof that the RSC has been acknowledged by the Ministry of Environment (MOE)²;
- d) Drawings and as-built works must conform to the Town's Guidelines, and appropriate reference material as determined by Town staff; and,
- e) The Town may require submission of a Business Plan, with said Plan to the Town's satisfaction;
- f) The property shall be renovated, expanded, developed or redeveloped such that the amount of work undertaken is sufficient to at a minimum result in an increase in the assessed value of the property by the Municipal Property Assessment Corporation (MPAC) and an increase in property taxes.

² This requirement may be waived by the Town, entirely at its own discretion, for applications that are not a change to a more sensitive use as per O. Reg 153/04 where the applicant is using a risk assessment approach. In these cases, the Town may, entirely at its own discretion, permit a peer review of the risk assessment (at the applicant's expense) as an alternative to the RSC requirement.



7. Is there a fee to apply?

No.

8. How is the annual grant calculated and when will the grant funds be advanced?

Pre-project Town property taxes will be determined before commencement of the project at the time the application is approved. For purposes of the grant calculation, the increase in Town property taxes (tax increment) will be calculated as the difference between pre-project Town property taxes and post-project Town property taxes that are levied as a result of re-valuation of the property by the MPAC following project completion.

If the applicant has also been approved for Tax Assistance, the Tax Increment Grant (as applicable) will commence when the Tax Assistance ends.

The first Tax Increment Grant payment will be advanced only once:

- a) a Grant Agreement has been signed and executed;
- b) construction is complete;
- c) the building has been inspected by municipal staff;
- d) the property has been revalued by the MPAC;
- e) Municipal property taxes have been levied based on the new assessment value;
- f) Municipal property taxes have been paid in full for at least one year after municipal property taxes have been levied based on the new assessment value; and,
- g) all assessment appeals have been resolved.



9. Can the grant be retained by the approved applicant if the property is sold?

Yes, subject to approval by the Town.

10. Can the grant be assigned to a new property owner if the property is sold?

Yes, the grant may be assigned by the original property owner to a third party, subject to approval by the Town, but this is limited to a one-time assignability by the original property owner with an approved TIG Application and Agreement.

11. What are the default provisions?

The default provisions are contained in the Grant Agreement. Payment of the grant may be delayed or cancelled by the Town if:

- a) property taxes are more than one (1) year in arrears;
- b) the building is demolished or any of the heritage features are altered in any way that would compromise the reason for designation;
- c) the applicant declares bankruptcy;
- d) the applicant uses the grant for improvement works that are not eligible;
- e) the applicant fails to maintain the improvements as required in the Grant Agreement; and,
- f) the applicant is in default of any of the provisions of the Grant Agreement.

12. How do I apply for a grant?

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc..



- b) If authorized to apply for a grant, complete and submit an application form. Ensure that all required signatures have been provided and that the application is accompanied by all required documentation as specified by staff.

13. What happens next?

- a) Applications and supporting documentation are reviewed by staff to ensure that they meet all of the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing.
- b) Applications and supporting documentation are reviewed by staff to determine eligible costs.
- c) Staff may request clarification or additional supporting documentation.
- d) Once you have submitted a complete application, you will be notified of this in writing.
- e) Staff will perform an initial site visit(s) and inspection(s) of the property (as necessary).
- f) An estimate of the post-project assessment value will be prepared by staff based on construction cost information provided by the applicant.
- g) The estimated post-project assessment value is used to calculate the estimated:
 - i) post-project Town, Region, and education property taxes;
 - ii) duration of the tax increment grant; and,
 - iii) the total amount of the tax increment grant to be provided.
- h) A recommendation on the grant application will be made by staff and forwarded to Council.
- i) If staff is recommending approval of your application, you will be provided with a Grant Agreement to sign and return to staff prior to Council consideration of your application.
- j) You will be notified in writing of the decision made by Council on your application.
- k) If Council approves of your application, the Agreement you signed will be signed by Town officials, and a copy of the executed Agreement will be provided to you for your records.



- l) Construction of the approved works may now commence, subject to issuance of a building permit(s).
- m) Contact Town staff toward the completion of the works.
- n) Upon completion of the works, staff will conduct a final site visit(s) and inspection(s) (as necessary) to ensure compliance with the Grant Agreement and any other Town guidelines and requirements.
- o) Once the development project is complete and the property has been re-valued by the MPAC, the Town will send a new property tax bill to the owner.
- p) The Town will check to see that the property is not in tax arrears, and then use the new assessment value and property tax bill to calculate the actual tax increment and the grant amount.
- q) Once payment of property taxes has been received in full for one year (or equivalent) by the Town, the Town will issue payment of the grant in the form of a cheque in the amount specified as per the calculation of the actual grant.
- r) The grant recipient will be asked to complete a grant receipt form and return this to the Town.
- s) The Town reserves the right to audit the cost of the works prior to advancing the grant payment.

**FOR FURTHER INFORMATION ON THIS PROGRAM, PLEASE CONTACT
THE OAKVILLE ECONOMIC DEVELOPMENT DEPARTMENT**

 905.845.6601

 econdev@oakville.ca



Figure 1 Tax Increment Grant Program

Priority Area	Base TIG for Qualifying Project	Plus the Project	Achieves Minimum Employment Density specified by Town	Achieves exemplary building/site design implementation or restores a designated heritage building/property	Includes a minimum of 20% of residential units that are: - Affordable; - Assisted; - Special needs; or a combination of the three.	Achieves Sustainability Initiative Status	Maximum Duration of TIG Payment
1 (Midtown Oakville and Major Transit Station Areas)	80%		100%	100%	100%	100%	12 years
1 (Employment Areas)	80%		100%	100%	n/a	100%	12 years
2	70%		90%	90%	90%	90%	10 years
3	60%		80%	80%	80%	80%	8 years

Attachment A Affordable, Assisted and Special Needs Housing

The definition of “affordable housing” is as follows:

Affordable Housing (Livable Oakville – Section 29.5 Glossary) - Affordable housing means housing with market price or rent that is affordable to households of low and moderate income spending 30 per cent of their gross household income without government subsidies. Such households would be able to afford, at the low end, at least three out of ten rental properties on the market and, at the high end, ownership housing with sufficient income left, after housing expenses, to sustain a basic standard of living.

The definition of “assisted housing” is as follows:

Assisted Housing (Halton Region Official Plan – Section 218) – Assisted housing means housing that is available to low and moderate income households for rent or purchase where part of the housing cost is subsidized through a government program.

When determining whether an application meets the test of including a minimum of 20% of residential units that are affordable or assisted, the Town should refer to the Assisted and Affordable Thresholds in the most current annual State of Housing report published by Halton Region.

The definition of “special needs housing” is as follows:

Special Needs Housing (Livable Oakville – Section 29.5 Glossary) - Special needs housing means any housing, including dedicated facilities in whole or in part, that is used by people who have specific needs beyond economic needs, including but not limited to, needs such as mobility requirements or support functions required for daily living. Examples of special needs housing may include but are not limited to housing for persons with disabilities such as physical, sensory or mental health disabilities, housing for the elderly, group homes, emergency shelter, housing for the homeless, and independent permanent living arrangements where support services such as meal preparation, grocery shopping, laundry, housekeeping, respite care and attendant services are provided. It does not include households that receive community based support services in their own home.



Attachment B Minimum Employment Density

It is anticipated that the Regional Municipality of Halton Employment Strategy (to be prepared) through the next Regional Official Plan Review will set out minimum employment densities for employment areas in Halton. Until such time as the Halton Employment Strategy is prepared and adopted, the minimum employment density criteria will be determined by the Town on a case-by-case basis, informed by Town staff expertise and available data from the Region of Halton Employment Survey.



Attachment C Exemplary Building/Site Design Implementation and Heritage Designation

The project must:

- a) Achieve exemplary building/site design and implementation as determined by the Town, on a case by case basis. Each application will be reviewed through the lens of the Livable Oakville Official Plan Urban Design Policies (Section 6), the Livable by Design Manual, and the North Oakville Urban Design and Open Space Guidelines. To be considered exemplary building/site design and implementation, a development must exceed the standards as outlined in the Livable by Design Manual, as determined by staff; or,
- b) The project must restore a heritage building/property designated under Part IV or Part V of the *Ontario Heritage Act*.



Attachment D Sustainability Initiative Status

The project must:

- a) Achieve a minimum of LEED Silver certification; or,
- b) Achieve net-zero (energy) or equivalent such as demonstrated by achieving one or more of the following:
 - i) CaGBC Zero Carbon Building Standard (ZCB); or,
 - ii) Recognition of Net-Zero from a reputable organization including: BOMA Canada, Natural Resources Canada and Canadian Home Builder's Association;

Or,

- c) Include initiatives that demonstrate progress towards achieving Oakville's community greenhouse gas emissions reduction target. Each application will be reviewed on its alignment with the final recommendations of Oakville's community energy plan, at the discretion of the Town and be considered on a case-by-case basis. Initiatives will need to demonstrate operational greenhouse gas reductions over an appropriate period of time as determined by staff.



