



<b>SECTION:</b> Finance	<b>EFFECTIVE DATE:</b> July 28, 2025
<b>RECOMMENDATION NO.:</b> GC68-25	<b>COUNCIL APPROVAL:</b> 120-25
<b>SUBJECT:</b> Tax Increment Grant – Multiple Residential Rental Developments	<b>POLICY NUMBER:</b> Budget&Financial-37

**POLICY: The Town will provide for a grant in the lower tier municipal property tax, subject to the conditions outlined below.**

The Town will benefit from a portion of the lower tier Municipal Tax increase during the grant period, and the full tax increase following the grant period.

The set amount will be provided to the property owner as part of the agreement. The tax increment is calculated as the difference between pre-project Lower Tier Municipal Taxes and post-project Lower Tier Municipal Taxes.

Following the completion/assessment of an approved development or redevelopment, and payment of the full reassessed value of lower tier Municipal Taxes by the property owner, a grant is provided that is equivalent to all or a portion of the tax increment.

Grants may be equal to or up to 100% of the Municipal portion of the tax increase as a result of the increased assessment of the affordable improvements calculated as the change in assessment in year one times the tax rate, this is the “set amount” decreasing by 10% in the following years for a 10-year period. The set amount will be provided to the property owner as part of the agreement. The tax increment is calculated as the difference between pre-project Lower Tier Municipal Taxes and post-project Lower Tier Municipal Taxes.

**OBJECTIVE:**

The purpose of the program is to defer a property tax increase for up to 10 years in order to assist in financing construction that would otherwise be considered cost prohibitive by a property owner, and to provide financial incentives for the supply of rental and affordable rental housing.

**SCOPE:**

The Tax Increment Grant Program offers grants to property owners whose Municipal Property Taxes have increased as a result of the development, redevelopment, construction, or reconstruction of an eligible building or property. Eligible buildings or properties will be those that are intended to be used for multiple-residential rental purposes for a minimum of 10 years.

**RESPONSIBILITY:**

The Treasurer is responsible for the administration of this policy.