



Staff Report to Council - for Direction

Title: Bruce County Tax Equivalent Increment Funding

From: Claire Dodds, Commissioner of Community Development

Date: June 19, 2025

Report Number: CDO-2025-013

Staff Recommendation:

That the Bruce County Tax Increment Funding program be approved.

Report Summary:

This report outlines a Tax Increment Equivalent Fund (TIEF) that could enable the County's participation in funding the creation of housing units in municipalities that have a TIEF program in their local Community Improvement Plan (CIP).

A TIEF program is a financial tool that Bruce County can use to support investment in local communities by leveraging future increases in County property tax revenue. The County program has been designed to match local municipal TIEF programs through grants that help offset the costs of development. The same program can also be utilized to support non-residential investment in local municipalities where they have a local TIEF program.

Background/Analysis:

At the May 15, 2025 meeting, staff presented an Affordable Housing TIEF program for County Council's consideration.

Council deferred consideration of a County Tax Increment Equivalent Fund (TIEF) Program to a future meeting, to allow for staff to bring forward additional information. Staff were asked to specifically:

- investigate the possibility of matching the incentives provided by the Municipality of Brockton in their TIEF program;
- provide information about the financial commitment that would be required from the County to match the Brockton incentive
- provide further clarification and analysis of the incentives utilized by Grey County for the apartment building proposed near the Walmart in Hanover;
- present information about how the TIEF program is implemented in other municipalities.

Matching Incentives:

Staff have developed a TIEF program that would enable the County's participation in a local Community Improvement Program.

As the County does not have the ability to have its own Community Improvement Plan, it relies on section 28 (7.2) of the Planning Act, and section 6.17.4 of the Bruce County Official Plan that states the County may make grants or loans to one or more local municipalities for the supporting local municipalities to carrying out a Community Improvement Plan.

The Bruce County TIEF Program is designed to support municipal Tax Increment Equivalent Funding (TIEF) programs developed through local Community Improvement Plans. The program matches local municipal TIEF programs through grants that help offset the cost of development.

Categories of development that would be supported through the County program would be established in the local Community Improvement Plan and may include both residential and non-residential development. The terms and length of the TIEF grant (e.g. 5 or 10 years, percentage of the grant) would be established in the Community Improvement Plan and detailed programs established by the local municipality.

The County's participation in a local TIEF program would be to provide a grant on the County portion of property taxes for a set period of time, at a declining percentage consistent with the local TIEF program. The County would rely on the re-assessed value as determined by the Municipal Property Assessment Corporation (MPAC) after project completion.

The proposed County program includes the eligibility criteria listed below:

- Must have a successful application to a local municipal TIEF program under an approved Community Improvement Plan.
- Must enter into a formal agreement with the local municipality confirming their participation.
- Project must align with County Council priorities as outlined in Council's Strategic Plan, or associated plans (e.g. Housing Action Plan, Economic Development Strategic Plan, etc.)

Staff would review the request and provide a recommendation to County Council. County Council would make the decision on whether to provide TIEF funding for a specific project.

The proposed County TIEF program is outlined in Attachment 1.

While most municipalities in Bruce County have a Community Improvement Plan that permits them to have a TIEF program, Brockton is the only municipality that currently has an active local TIEF program in effect.

Financial Commitment:

Using the recent request from Brockton for the County to participate in a TIEF funding program for a proposed 63-unit residential apartment project, if the County were to match the terms of Brockton's TIEF program, the financial commitment from the County would be approximately \$81,100 over 5 years.

The investment of \$81,100 is tax revenue that the County would grant to the municipality, who in turn would provide the grant to the developer. The County is not able to provide funding directly to the developer.

Brockton's TIEF funding program operates over a 5-year period, granting equivalent to the local portion of taxes at a declining percentage:

Year 1 - 100% grant
Year 2 - 80% grant
Year 3 - 60% grant
Year 4 - 40% grant
Year 5 - 20% grant

The scenario below is based on an estimated assessed value of \$5 million once the 63-unit residential development is complete. This estimated value has been provided by the developer based on assessment increases on a similar project in the Municipality of Brockton.

Based on the estimated assessed value of \$5 million, the scenario below outlines the taxes and grant that would be provided by the County:

	County Portion of Taxes	Value of Grant	Percentage
Year 1	\$26,300	\$26,300	100%
Year 2	\$26,800	\$21,500	80%
Year 3	\$27,300	\$16,400	60%
Year 4	\$27,900	\$28,500-\$11,200	40%
Year 5	\$28,500	\$5,700	20%
Total Investment*		\$81,100*	

*These figures are for illustration purposes only and are subject to change based on the final assessment as per MPAC and the final tax rate for each year the property is in the program.

To provide certainty around the County's financial investment, the agreement between the County and Municipality can provide an upset limit of the maximum grant the County will provide for a specific project. Through the budget process, Council could also establish an annual upset limit to fund the overall TIEF program.

Brockton Request for County support of WT Lands LP Development

On March 20, 2025, the Municipality of Brockton sent Bruce County Council a letter requesting Bruce County consider entering a TIEF agreement with WT Lands LP, to support the construction of two 63-unit apartment buildings in Eastridge Business Park. If County Council approves the TIEF program, the County would match the local Brockton TIEF program that would support providing a grant equivalent to the County portion of the incremental tax increase for all 63 units. The grant would be for a period of 5 years, with a declining percentage (100% in year 1 - declining to 20% in year 5).

Once the County TIEF program is approved, County staff can work directly with Brockton staff to prepare a TIEF agreement between the County and Brockton and bring the agreement forward for authorization for the Clerk and Warden to enter into the agreement with the Municipality of Brockton.

Grey County TIEF Program

Grey County currently utilizes the Grey County Community Improvement Plan (CIP) Program to enable and boost development across the region. A templated CIP was developed to be used by local municipalities that outlines Grey's participation in various programs, including a specific TIEF program. This is used as the program criteria, so that County support matches the approach of local municipalities. Once a local municipality approves a TIEF, a request is submitted to Grey County Council for participation. To date, one such request has been approved that facilitated the development of two 6-storey, 71-unit multi-residential buildings at 651 23rd Ave., which was approved by Grey County Council. The County portion of taxes was estimated to be \$216,000 which was funded over a five-year period with declining percentage increments.

Jurisdictional Scan - Municipal TIEF Programs

There are varied ways that municipalities are implementing TIEF programs across the province. Below are some notable approved projects:

- Greater Sudbury has approved a TIEF for 38 new affordable housing units. This includes 100% of the tax change in years 1 through 3 and 50% of the tax change in years 4 and 5. The total amount the municipality is expected to invest is \$849,993 during the five-year period. Sudbury is a single-tier municipality.
- The City of Chatham-Kent has utilized their Property Tax Increment Equivalent Grant Program to defer increased municipality property taxes on large scale rental housing developments for 10 years. This has been utilized most recently for a six-story apartment building with 82 units in the community of Wallaceburg. Chatham-Kent is a single-tier municipality.

Financial/Staffing/Legal/IT Considerations:

The TIEF program will be coordinated through the Community Development Office, with participation by the Housing Concierge, Economic Development and Corporate Services. This new program can be undertaken with existing staff, within the existing budget.

The Bruce County TIEF program is funded by leveraging future increases in County property tax revenue. Staff will include the cost of the TIEF program in future budget years, as applicable.

The Ministry of Municipal Affairs and Housing has indicated the County should establish a program prior to entering into an agreement with a local municipality to provide TIEF funding.

Interdepartmental Consultation:

Corporate Services, Economic Development and the Office of the CAO were consulted in the preparation of the proposed Bruce County TIEF program.

Consultation was undertaken with the Ministry of Municipal Affairs and Housing (MMAH). MMAH supports the County developing a program to inform any TIEF agreements that provide funding to a local municipality.

Link to Strategic Goals and Objectives:

Community and Partnerships - Build a strong and inclusive community
Community and Partnerships - Enhance and grow partnerships

Link to Departmental Plan Goals and Objectives, if any:

The development of a County TIEF program aligns with the goal of the Housing Action Plan 2024-26, focused on taking action to create conditions to increase the supply and impact affordability of housing.

The development of a Bruce County TIEF program advances the following actions:

- Consider funding options for affordable housing initiatives
- Identify ways to support private and non-profit affordable housing builds
- Grow non-profit housing supply

This program also advances actions within the Economic Development Strategic Plan, as well as supporting local municipalities' Community Improvement Plan priorities.

Report Author/Departmental Approval

Claire Dodds, Commissioner of Community Development

Approved for Submission:

Christine MacDonald, Chief Administrative Officer

Attachments:

Attachment 1: Bruce County Tax Increment Equivalent (TIEF) Program