

Report to Council

Report Title:	Tax Increment Equivalent Fund (TIEF) Program Update, Draft Guide and Application		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	February 25, 2025		
Report Number:	FIN2025-05	File Number:	C11FIN
Attachments:	Draft Guide and Application		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2025-05 - Tax Increment Equivalent Funding (TIEF) Program Update, Draft Guide and Application, prepared by Trish Serratore, Chief Financial Officer for information purposes; and in so doing supports the draft guide and application process as outlined with the inclusion of a five-year time frame.

Report:

Background:

On February 11, 2025 staff brought forward report FIN2025-04 Tax Incremental Equivalent Funding (TIEF) request from Read Shantz of WT Lands LP requesting TIEF under the Community Improvement Plan (CIP) to support the construction of two 63-unit apartment buildings in the East Ridge Business Park.

The TIEF program is designed to encourage the development and redevelopment of eligible properties by providing financial assistance equal to all or a portion of the property tax increase resulting from new property improvements.

Analysis:

As this is the first request under this initiative, staff have been working on the program guidelines and a draft formal agreement. The Tax Increment Equivalent Funding (TIEF) program is a key initiative under Brockton's Community Improvement Plan (CIP). The program is designed to incentivize the development of medium and high-density purpose-built rental units by offering financial assistance in the form of grants over a five-year period.

The grant is based on the incremental increase in property taxes resulting from redevelopment and is awarded as follows:

- **Year 1:** 100% of the tax increment (pro-rated)
- **Year 2:** 80% of the tax increment
- **Year 3:** 60% of the tax increment
- **Year 4:** 40% of the tax increment
- **Year 5:** 20% of the tax increment

The grant is only disbursed after the improvements to the property are complete, the property is reassessed by the Municipal Property Assessment Corporation (MPAC), and the full municipal taxes have been paid.

Attached is the detailed guide and application for Council’s review and consideration as we embark on this program. The Brockton CIP covers the entire Municipality at this time. Therefore, adoption of these program guidelines would support medium and high density purpose-built rental units constructed throughout the Municipality on a case by case basis.

Further, a request to the County to support this funding application for the County portion of the taxes is also recommended to ensure both programs are aligned, and housing supports by way of incentives are provided at both levels of government.

Section 7.2 of the Planning Act outlines the following:

Grants or loans between upper and lower-tier municipalities

(7.2) The council of an upper-tier municipality may make grants or loans to the council of a lower-tier municipality and the council of a lower-tier municipality may make grants or loans to the council of the upper-tier municipality, for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the council considers appropriate, but only if the official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans. 2006, c. 23, s. 14 (8).

We recommend Council’s approval of the program guidelines and we will work on a formal agreement with WT Lands LP for consideration in the coming months.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

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| • Recommendations help move the Municipality closer to its Vision | Yes |
| • Recommendations contribute to achieving Heritage, Culture, and Community | N/A |
| • Recommendations contribute to achieving Quality of Life | N/A |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | Yes |
| • Recommendations contribute to achieving Economic Development | Yes |
| • Recommendations contribute to achieving Municipal Governance | Yes |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer