

Appendix B - Tax Incremental Grant Program Example

This example shows the remediation and redevelopment of a former industrial Brownfield into an office development.

The property is located in Priority Area 2 and achieved LEED certification which qualifies the applicant for a TIG of 90% of the incremental tax increase for a maximum of 10 years or when the amount of the eligible remediation costs has been reached.

Eligible remediation costs: \$300,000

Pre-project assessment: \$2M

Post-project assessment: \$10M

Example – No Regional Participation

Post-project annual town tax collected:	\$47,188
Pre-project annual town tax collected:	\$15,291
Annual tax increment post-project:	\$31,897

90% annual tax increment rebate paid to applicant: $\$31,897 \times 90\% = \mathbf{\$28,707}$

Total Town rebate commitment over 10 years: **\$287,070**
(note – maximum duration of rebate was reached before eligible costs were fully repaid)

Total net taxes collected over 20 years:	\$656,690
Total taxes collected with no project:	<u>\$305,820</u>
Total uplift in taxes over 20 years:	\$350,870

Example – with Regional Participation

	Town of Oakville	Halton Region
Post-project annual tax collected	\$47,188	\$43,040
Pre-project annual tax collected	\$15,291	\$13,946
Annual tax increment post-project	\$31,897	\$29,094
90% annual tax increment rebate	\$28,707	\$26,184
Total rebate commitment	\$156,893	\$143,107
Duration of rebate	5.5 years	
Total net Town of Oakville taxes collected over 20 years:	\$786,867	
Total Town of Oakville taxes collected with no project:	<u>\$305,820</u>	
Total uplift in Town taxes over 20 years:	\$481,047	

