



Town of Bancroft Community Improvement Plan 2024-2027

Tax Increment Equivalent Grant Program

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Town of Bancroft

Tax Increment Equivalent Grant Program

Grant Program Guide

Program Description:

This program provides a grant from the Town of Bancroft to a property owner who undertakes an investment in their property that results in an increase in assessment and an increase in the taxes payable as a result of that investment. The grant provides a declining rebate of a portion of the tax increase **attributed to reassessment** for the Town of Bancroft share of the tax bill. The grant runs for the first 4 years following reassessment.

The Town of Bancroft has activated this grant program effective January 1, 2019. The first program ran from 2019-2023. The second program will run from 2024-2027.

The Town of Bancroft has also requested Hastings County partner with the Town for the second program so that the County's share of the municipal tax bill is included in the rebate program however, this agreement has not been finalized at this time. If the County agrees to participate in the program at some point, adjustments to the calculated rebate will be applied for the eligible County portion.

Establishing Eligibility:

To be eligible for the 2024-2027 program, your investment must be made as evidenced by the issuance of a valid building permit issued after January 1, 2024. The activation window runs for 4 years; however, Council may elect to renew the program or terminate the program at any time. Once the application has been approved the Town will honour its approval provided the owner fulfils any conditions attached to the approval.

To be eligible to apply for the grant the investment must be made within the **Community Improvement Project Area**. The Project Area is depicted in this guide as **Figure 1**.

In addition to falling within the Project Area an investment must meet the definition of “development” to be eligible for the grant. The scale of “development” must align with 1 of 2 thresholds depending on if the property being developed has municipal services available or if it does not. The thresholds are outlined in the following section.



Development Thresholds in Serviced Locations of the Project Area:

The Town of Bancroft has both a municipal water and waste water system. The water system is the larger of the 2 systems with service extending to the Waterhouse subdivision, the north end of York River Drive, east on Highway 28 to Valleyview Drive and south on Highway 62 to Rona. A schematic of the Town’s water system is depicted in this guide as **Figure 2**. The waste water system only extends as far north as Home Hardware on Hastings Street and a short distance north of Forest Hill Road. A schematic of the waste water system is depicted in this guide as **Figure 3**. Town staff are available to assist you establish your location and confirm the availability of the municipal services.

To receive a grant in a location where one or more municipal services are available to the property the owner must agree to connect to the available services.

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In a serviced location a development must meet one of the following thresholds to qualify:

- 1 or more new residential units, **OR**
- In the case of non-residential development, an increase to the floor area of the existing building by at least 50%, **OR** construction of a brand new commercial building **OR**
- Any development that results in a new connection to the municipal water and/or wastewater system.

Development Thresholds in Non-Serviced Locations of the Project Area:

Your property may not be located near municipal services today. As time passes and Bancroft continues to grow it is expected that the water and waste water systems will also be expanded to support new development. The Town will make the grant available to you if your investment makes a meaningful contribution to the Town's tax base and you agree to connect to one or more municipal services if and when they become available.



The Town of Bancroft has already pre-approved the following development thresholds as making a meaningful contribution to the tax base:

- 2 or more new residential units, **OR**
- In the case of non-residential development, at least 400 sq metres of new non-residential floor space, **OR**
- A tax increase following development which is at least 10 times larger than pre-development taxes.

How is the Amount of the Grant Formally Established?

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The amount of taxes paid prior to development can be easily established by looking at your current tax bill or reviewing the tax rolls with Town staff. Post development taxes are formally established once the Municipal Property Assessment Corporation (MPAC) reassesses the property following development. The precise amount of the grant is only determined once MPAC's reassessment takes place.

The difference between the new tax bill due to reassessment and the pre-development tax bill will be used to establish the amount of the grant. The Town's program caps the grant on a declining scale over the four year duration of the program, and represents the difference between pre development and post development taxes. Additionally, the Town of Bancroft can only provide a grant for the portion of the tax bill it controls. In the case of residential development the Town of Bancroft share of the total tax bill is approximately 72%. For commercial development the Town share is approximately 51%.

The rebate percentage, based on the difference between the pre-development tax bill and the post-development MPAC reassessed value, over the four year period of the program, will be determined based on the year that the building permit for the project is issued, as follows:

2024	2025	2026	2027
60%	50%	40%	30%

For Illustration:

A building permit issued in 2024, with an approved Incremental Tax Program Application will receive rebate payments of 60%, 50%, 40% and 30% for the four-year payment eligibility period.

A building permit issued in 2025, with an approved Incremental Tax Program Application will receive rebate payments of 50%, 40%, 30% and 30% for the four-year payment eligibility period.

A building permit issued in 2026, with an approved Incremental Tax Program Application will receive rebate payments of 40%, 30%, 30% and 30% for the four-year payment eligibility period.

A building permit issue in 2027, with an approved Incremental Tax Program Application, will receive rebate payments of 30% per year for the four-year eligibility payment eligibility period.

The tax rate at the time of MPAC reassessment will be used to calculate the amount of the grant for the first full year of assessed value and for the following 3 years of the program. The grant does not cover annual escalations in the municipal tax rate that all properties in the Town will experience following the approval of the annual budget.



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When Will the Grant Funds be Advanced?

After the property owner has paid the first full year of the new property tax bill following reassessment in full, commencing January 1 of that year, the Town will issue the grant, in the form of a cheque, based on the calculation above. This will be done for four consecutive years by the end of the first quarter of the following year. There will be no pro-rated partial year calculations.

To be eligible for the rebate, the property taxes must be paid, IN FULL, by December 31 of each year. If tax arrears exist on December 31 of an eligible rebate year, the rebate for that year will be deemed to be ineligible.

How Do I Apply for the Grant?

We recommend that you schedule a brief meeting with Building Department staff just to verify your development intentions and whether your investment will take place in a serviced or unserved location. Assuming that you are eligible to apply, complete the application form included in this guide and drop it off at the Town's municipal office.

Applications for the first intake of the Incremental Tax Incentive Program (for building permits issued between January 2019 and December 2023) must be received by December 31, 2024 to be eligible for the program and work on the development must be completed with a final inspection and/or final occupancy issued by December 31, 2025.

Applications for the second intake of the Incremental Tax Incentive Program (for building permits issued between January 2024 and December 2027) must be received by December 31, 2028 to be eligible for the program and work on the development must be completed with a final inspection and/or final occupancy issued by December 31, 2029.

Late applications will NOT be accepted, unless extenuating circumstances are deemed to exist by the Municipal Clerk or the Municipal Treasurer, at their sole discretion.

Transferability of Rebate:

In the event that a property owner sells their property and wishes to transfer the balance of the remaining Tax Incentive Rebate Program payments to the new owner, the current owner must provide written notice of the transfer to the Town. In addition, the new owner must complete and submit, an application for the Tax Increment Equivalent Grant Program to ensure that the Town has all the required details and commitments on file. The rebate will be issued to the property owner on file with the Town of Bancroft as of December 31 of the eligible year. The Town will NOT prorate or split payments between owners in a transfer year. Any such calculations will be the responsibility of the buyer and seller to negotiate at the time of purchase if they choose to do so.

NOTE:

In the event that a situation arises which is not addressed by this program eligibility guideline and application, the Municipal Clerk *and/or* the Municipal Treasurer retain the right to make program eligibility determinations which are consistent with the intent of the Tax Increment Equivalent Grant Program.



Town of Bancroft

Tax Increment Equivalent Grant Program

Application Process

STEP 1: APPLICATION SUBMISSION

- Pre-application meeting between Building Dept staff and owner
- Owner submits application included in this guide

STEP 2: APPLICATION REVIEW

- Town checks application to ensure completeness
- Town provides a preliminary estimate of the tax increment grant based on owner's project description (*Note: the grant estimate is for guidance only. Applicant's must satisfy themselves*)
- Town provides applicant with grant estimate and approval-in-principle

STEP 3: APPLICATION APPROVAL/PREPARING FOR PAYMENT

- Owner provides the Town with proof of completion of project (typically a copy of occupancy permit) and fulfillment of conditions of grant, such as the connection to municipal services
- Owner provides Town with post-development notice of assessment prepared by MPAC (this process may take a full year following completion of project)
- Town verifies that the owner has not filed any assessment appeals
- Town calculates the actual grant based on MPAC reassessment
- Payment of year 1 grant is made to owner following first full taxation year
- Full payment of subsequent annual tax bills will trigger payment of remaining grants



Town of Bancroft Tax Increment Equivalent Grant Program

Application Form

PART A: Property Owner Information (Please Print):

Name of Property Owner _____

Mailing Address _____

Telephone Number _____

E-mail _____

PART B: Property Information:

Legal Address of Property _____

Assessment Roll # _____ 7

Existing Use of Property _____

PART C: Tax Information:

Current Assessed Value of Property (\$) _____

Current Annual Property Taxes (\$) _____

Are Property Taxes Paid (no arrears)? _____

PART D: Project Description:

PART E: Construction Schedule:

Estimated Start Date _____

Estimated Completion Date _____

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PART F: Representations:

Is municipal water available to the property? **YES** **NO**

Is municipal waste water available to the property? **YES** **NO**

If one or more municipal services **are available** to the property does the applicant agree to connect to available services, as a condition of receiving the Tax Increment Equivalent Grant? **YES** **NO**

If municipal services **are not available** to the property does the applicant agree to execute an agreement with the Town of Bancroft committing to connect to municipal services if and when they become available to the property, as a condition of receiving the Tax Increment Equivalent Grant? **YES** **NO**

PART G: Legal

I / WE HEREBY APPLY for a grant under the Town of Bancroft's Tax Increment Equivalent Grant Program.

I / WE HEREBY AGREE to abide by the terms and conditions of the Grant Program.

I / WE HEREBY AGREE to enter into a grant agreement with the Town of Bancroft that specifies the terms of the grant.

I / WE HEREBY AGREE to abide by the terms and conditions of the grant agreement.

I / WE HEREBY AGREE that the grant will be calculated in the sole discretion of the Town of Bancroft.

Owners Name: _____

Signature: _____

Date: _____



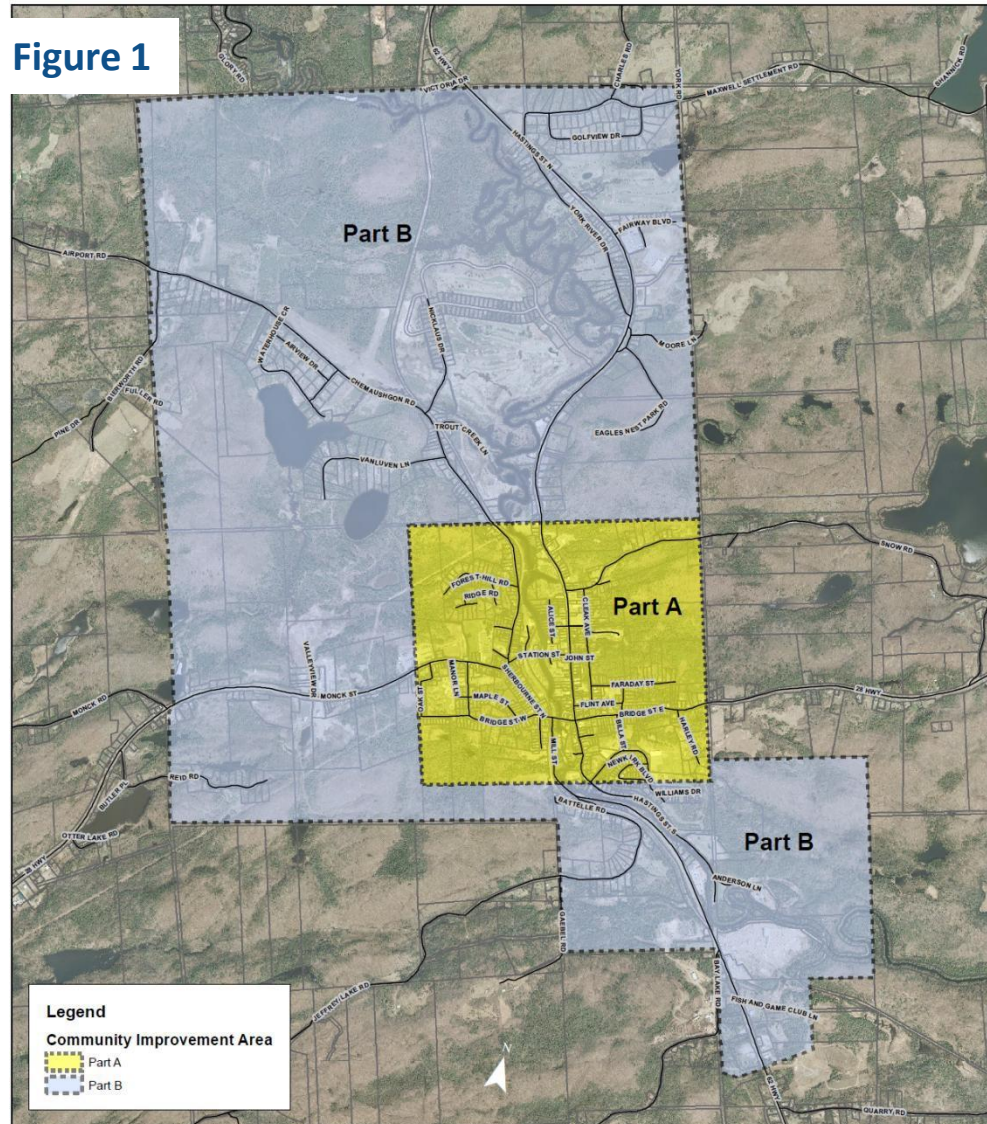
Town of Bancroft Tax Increment Equivalent Grant Program

Community Improvement Project Area



The Town of Bancroft: Community Improvement Area

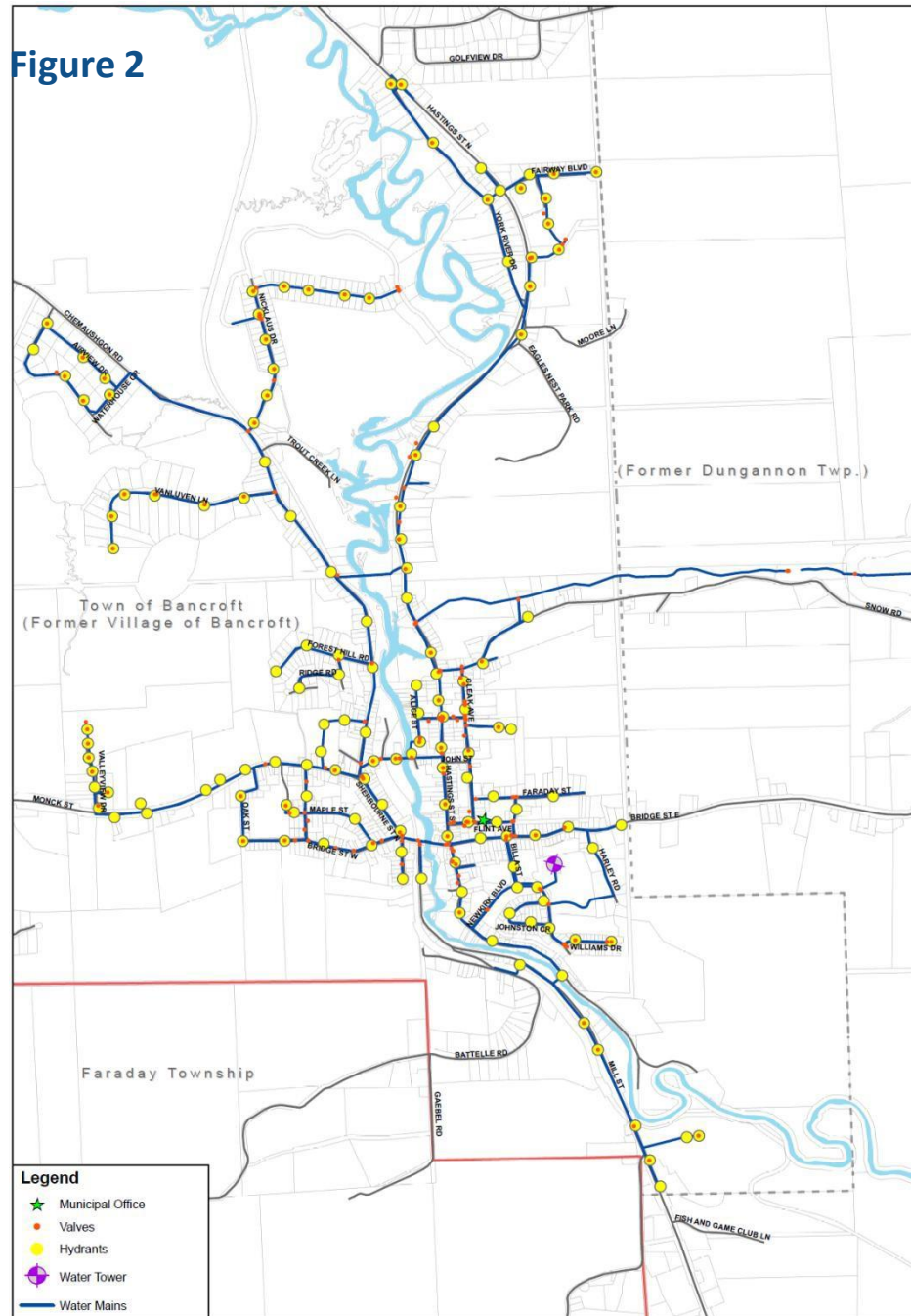
Figure 1





Town of Bancroft Tax Increment Equivalent Grant Program

Water Infrastructure Schematic





Town of Bancroft Tax Increment Equivalent Grant Program

Waste Water Infrastructure Schematic

