

TAX INCREMENT EQUIVALENT GRANT (TIEG) PROGRAM

Program Description

The purpose of this program is to encourage “substantial” rehabilitation, redevelopment, development, infill and intensification projects by providing a financial incentive that reduces the property tax increase that can result from these various types of development.

This program will provide an annual tax increment equivalent grant (TIEG) for five years after project completion equal to a percentage of the increase in the Township portion of property taxes as shown below generated by completion of a “substantial project” where the proposed and “as built” substantial project achieves the minimum evaluation score specified in the TIEG Program.

YEAR	TIEG AMOUNT (% of Township Property Tax Increase (Increment) Resulting from Project)
1	100%
2	80%
3	60%
4	40%
5	20%

In order to be eligible for final approval of a TIEG by the Township, both the “proposed” and “as built” project contained in an application for the TIEG Program must achieve a minimum score when evaluated against the TIEG Program Evaluation Framework.

What is the Maximum Grant Amount?

The Township may establish a maximum total grant that can be paid under this program per application/property/project.

The approved TIEG would be paid by the Township for up to 5 years. The approved applicant would first construct and complete the approved project. The Township would then pay the grant annually once:



TAX INCREMENT EQUIVALENT GRANT (TIEG) PROGRAM CONTINUED

- The eligible project has been completed in accordance with the grant application;
- Final building inspections have taken place;
- The Township in its sole discretion has evaluated the “as built” project using the TIEG Program Evaluation Framework and determined that the “as built” project has achieved the minimum eligibility score specified in the Framework;
- An occupancy permit has been issued (as applicable);
- All deficiencies have been addressed;
- All general and program specific requirements and grant agreement requirements have been met, and continue to be met, to the Township’s satisfaction;
- The property has been reassessed by the Municipal Property Assessment Corporation (MPAC); and
- The new property taxes have been paid in full for the year.

Pre-project Municipal taxes will be determined before commencement of the project at the time the application is approved. For purposes of the grant calculation, the increase in municipal property taxes (tax increment) will be calculated as the difference between pre-project municipal property taxes and post-project municipal property taxes that are levied as a result of re-valuation of the property by the MPAC following project completion. The tax increment does not include any increase/decrease in municipal taxes due to a general tax increase/decrease, or a change in assessment for any other reason.

What Type of Projects are Eligible for a Grant?

Whether or not a project is considered a “substantial project” will be determined at the sole discretion of the Township, but typically includes only projects that result in any of the following:

- Achievement of a minimum threshold increase in assessment value and property taxes as determined by the Township.
- Construction of multiple rental residential units and/or multiple affordable rental residential units.
- Construction of a significant amount of new commercial, industrial, or value added agricultural/ agribusiness space.
- Major rehabilitation/upgrading and/or expansion of an existing building.
- Creation of a significant number of jobs.
- Achievement of multiple goals of this CIP.

Are There Additional Conditions to be Met to be Eligible for a Grant?

While the Township may allow an Applicant with an approved TIEG to assign the Grant to an assignee as the result of the sale or other transfer of the property, the approved TIEG will cease immediately upon any subsequent sale or other transfer of the property.

