



TOWNSHIP OF

Hornepayne

Industrial Investment Tax and Fee Rebate Program Guidelines - Community Improvement Plan (CIP)

The Industrial Investment Tax and Fee Rebate Program is designed to encourage new and expanded industrial development within the Township of Hornepayne. The program supports projects that create long-term economic benefits, increase employment, and enhance the industrial base of the community.

Program Eligibility

To be eligible for the Industrial Investment Tax and Fee Rebate Program, the following criteria must be met:

- The property must be located within an area designated for industrial development under the Community Improvement Plan (CIP).
 - Eligible properties include lands used for forestry, mining, energy production, or other industrial purposes that align with the Township's strategic priorities.
 - The applicant must be the registered owner or authorized tenant of the property.
 - The project must result in significant improvements, such as new construction, facility expansion, or infrastructure upgrades.
 - The applicant must be in good standing with all municipal taxes, fees, and levies.
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Incentive Details

Eligible Expenses: Costs directly associated with eligible development, including:

Fee Rebates: 100% rebate on eligible municipal fees, up to a maximum of \$10,000. Eligible fees include:

- Municipal planning application fees (e.g., site plans, zoning amendments).
- Municipal building permit, demolition fees and Inspection fees.

Tax Increment Rebate: Rebate on the difference between the property tax amount prior to improvements and the new tax amount following reassessment.

The rebate structure is as follows:


- Year 1: 100% rebate of tax increment.
- Year 2: 80% rebate of tax increment.
- Year 3: 60% rebate of tax increment.
- Year 4: 40% rebate of tax increment.
- Year 5: 20% rebate of tax increment.

Application Process

1. Download the CIP Application Form from the Township website or pick up a copy from the Economic Development Office/Town Hall.
2. Complete the application, including all required documents:
3. Submit the completed application to the Economic Development Officer/ CAO.
4. Applications will be reviewed for eligibility and completeness.
5. Eligible applications will be assessed using the CIP scoring matrix.
6. Approved applicants will be notified in writing and required to sign a Funding Agreement.

Program Requirements

Successful applicants must begin the approved project within 18 months of receiving approval.

- Any changes to the project scope must be reported to the Economic Development Officer for reassessment.
 - Proof of project completion, including invoices and permits, must be submitted for final approval and rebate calculation.
 - Projects must be completed within two years of approval unless an extension is granted.
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Industrial Investment Tax and Fee Rebate Program

Objectives

To encourage new industrial investment and employment related to the supply chains of the forestry, mining, and alternative energy sectors by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation, and by granting a portion of fees required for planning applications or building permits in relation to Industrial investment.

Rationale

Forestry and forest products are among the target sectors identified by the Superior East Regional Economic Development Strategy, in particular cross-laminated timber and non-timber forest products. Gold mining is also a very important industry within the region. Local alternative energy opportunities may include waste wood biomass, wind, solar and hydro. Hornepayne also has a well developed rail system that can be leveraged to support industry sectors of importance to the region. Developing vacant or underutilized properties can create new investment and employment opportunities in the Township.

Eligibility Filters

Eligibility Filter	Details
Priority	High
Geographic Areas	Lands designated Light Industrial, Heavy Industrial, Rural Industrial, General Commercial, Highway Commercial
Industry Focus	Supply chains related to Forestry, Mining, Alternative Energy
Property Types	Industrial, Commercial
Applicant Types	Property Owner or Tenant with Property Owner's Written Permission
Expenditures	Construction costs related to new construction and structural and mechanical upgrades to existing industrial and commercial buildings used for the eligible supply-chain industry sectors, including upgrades to plumbing and electrical systems, installation of safety and fire protection systems, structural upgrades, upgrade and installation of windows, new technologies, technology/construction related to market expansion, building insulation, consultant fees (e.g., engineer, architect), fire suppression systems, metal fabrication, carpentry, HVAC. Demolition costs are also eligible.

Eligibility Filter	Details
Special Conditions	<p>All construction must follow Ontario Building Code and other regulations.</p> <p>Property owner has 18 months to complete the necessary improvements to the property, at the discretion of the CIP Administrator. Should this condition not be met, Council has the option to cancel the application approval or to extend the approval.</p> <p>The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period.</p> <p>Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits.</p> <p>An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township.</p> <p>The Tax Increment Equivalent Rebate financial incentive for a property is offered for a maximum of 5 years from the date of the re-assessment upon which the tax increment is calculated.</p> <p>Although the municipal property taxes are rebated, they are not waived outright. Taxes are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements. Any other taxes paid are not subject to the rebate.</p> <p>Only the municipal portion of development charges are rebated, and furthermore they are not waived outright. The development charges are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.</p> <p>Although the building permits fees are rebated, they are not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.</p>

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100% of fees directly related to the Project will be rebated after the Project is completed	Municipality to rebate actual fees paid to a maximum of \$10,000. Eligible fees for rebate include: Municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or Municipal building permit demolition fees, and inspection fees.
Tax Increment Grant	Yes	See maximum grant range calculations	Maximum Rebate - Lowest of the following: <ul style="list-style-type: none"> • Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application. • Amount equivalent to the total of municipal property taxes for Years 1 through 5 following completion of the project. • Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.

Example

The owner of an industrial property decides to build a facility on a vacant parcel of land to extract paclitaxel from local forest products to supply the pharmaceutical industry. Prior to starting construction, the property owner applies to the Township of Hornepayne's Industrial Investment Tax Program. It is confirmed during the application process that:

- MPAC assessed value of the vacant property is \$250,000 (prior to development).
- Annual property taxes are \$20,000 (prior to development).
- The property owner plans to invest \$1,500,000 (excluding HST) in total eligible construction costs to build the facility.
- Fees charged by the Township associated with the development are EXPECTED to total \$30,000.

The Township approves the application, communicating that the fee rebate has a maximum of \$10,000. After receiving written approval, the property owner redevelops the facility, actually spending \$1,500,000 (excluding HST) based on receipts and proof of payment.

- MPAC reassesses the property after development at \$750,000 in value, an increase of \$500,000.

- Annual property taxes after development are reassessed at \$50,000, an increase of \$30,000. The potential for rebated property taxes is calculated as follows:

Year	Increment Percentage	Rebate Amount
1	100%	\$30,000
2	80%	\$24,000
3	60%	\$18,000
4	40%	\$12,000
5	20%	\$6,000
Total (Years 1-5)		\$90,000

- Fees charged by the Township to the property owner ACTUALLY totalled \$30,000, higher than the maximum eligible of \$10,000.

The property owner requests program funding from the Township through the CIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The property owner receives these incentives:

- Fee Rebate of \$10,000 immediately.
- Tax Rebate of \$90,000 received through annual tax rebates provided after taxes are paid over the next five years, because it is the lowest of the following calculations:
 - Amount equivalent to 50% of total eligible construction costs = \$750,000 (excluding HST).
 - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 5 following completion of the project, subject to the sliding scale of rebates for the Industrial Investment Tax Rebate Program = \$90,000.
 - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$250,000) and after the Project is complete (\$750,000) = \$500,000.

In total, through the Industrial Investment Tax Rebate Program, this property owner would be eligible for a total of \$100,000 in incentives.

NOTE:

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 5 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.