Corporation of The Town of Parry Sound

Passing of By-law No: 2026 - 7617

1st day of September 2026

Moved by Councillor Paul Borne

Seconded by Councillor ______________________

That By-law No: 2026 – 7617

Being a By-law to Adopt Community Improvement Plan Amendment No. 1 to establish a Tax Increment Equivalent Grant Program for Purpose-Built Rental Housing

Be considered as read a first time.

- Carried - ✓

Are all members in favour of having the second and third readings? ✓

Moved by Councillor Paul Borne

Seconded by Councillor ______________________

That the By-law Above Mentioned Be Considered as Read a Second, And Third Time, Passed, Signed and Sealed.

- Carried - ✓

Entered as Part of The Minutes of the Meeting Held this 15 **day of** September **2026**

Mayor Jamie McGarvey	**Clerk Rebecca Johnson**

Postponed to: ______________________

Amends By-law: ______________________

Repeals By-law: ______________________

By-law Amended: ______________________

By-law Repealed: ______________________

The Corporation of the Town of Parry Sound

By-law 2026 – 7617

Being a By-law to Adopt Community Improvement Plan Amendment No. 1 to establish a Tax Increment Equivalent Grant Program for Purpose-Built Rental Housing

Whereas Section 28 of the Planning Act, R.S.O. 1990, c. P.13, as amended, authorizes the Council of a municipality to adopt a Community Improvement Plan and to make grants or loans in accordance with the Community Improvement Plan;

And whereas Section 28(1) of the Planning Act defines "community improvement" to include the development, redevelopment, construction, reconstruction and rehabilitation of lands and buildings and the provision of residential uses, buildings, structures and facilities;

And whereas Section 28(1.1) of the Planning Act provides that, without limiting the generality of the definition of community improvement, community improvement includes the provision of affordable housing;

And whereas the Council of the Corporation of the Town of Parry Sound adopted By-law No. 2006-4948, being a By-law to adopt a Community Improvement Plan for the Town of Parry Sound, which came into effect on August 24, 2006;

And whereas Council considers it desirable to amend the Community Improvement Plan to encourage the development and redevelopment of purpose-built rental housing and to increase the supply of rental dwelling units within the Town;

And whereas Council considers that a Tax Increment Equivalent Grant is an appropriate mechanism to encourage investment in new purpose-built rental housing by temporarily returning a portion of the incremental municipal property tax revenue generated by eligible development;

And whereas this by-law may be sited as the "Community Improvement Plan Amendment - Rental Housing Tax Increment Equivalent Grant By-law"

Now Therefore the Council of The Corporation of the Town of Parry Sound Enacts As Follows:

1. Community Improvement Plan Amendment No. 1 for the Corporation of the Town of Parry Sound, in the formal as generally attached in Schedule "I", is hereby adopted;

2. Schedule "I" is hereby made part of this By-law; and

3. Community Improvement Plan Amendment No. 1 shall take effect on the final passing thereof, and shall come into force in accordance with the Planning Act, R.S.O. 1990, Chapter P. 13, as amended.

READ a FIRST time this 1st day of September, 2026

Mayor Jamie McGarvey

Clerk Rebecca Johnson

READ a SECOND and THIRD time, PASSED, SIGNED and SEALED this day of , 2026

Mayor Jamie McGarvey

Clerk Rebecca Johnson

The Corporation of the Town of Parry Sound

By-law 2026 – 7617

Schedule "I"

Amendment No. 1 to the Town of Parry Sound Community Improvement Plan

The attached document constitutes Amendment No. 1 to the Town of Parry Sound Community Improvement Plan

Date: 15 day of September, 2026

Clerk: ______________________

Mayor: ______________________

Corporate
Seal of Municipality

AMENDMENT NO. 1 TO THE TOWN OF PARRY SOUND COMMUNITY IMPROVEMENT PLAN

Part A - The Basis

PURPOSE OF THE AMENDMENT

1.1 The purpose of this Amendment is to modify the policies within the existing Community Improvement Plan in order to introduce additional financial incentives intended to encourage the development of new purpose-built rental housing within the Town of Parry Sound, based on Council direction.

1.2 The amendment is intended to offset a portion of the costs associated with new rental development and to improve the financial feasibility of projects that contribute to the Town's rental supply.

1.3 The amendment establishing a Rental Development Incentive Program, including eligibility requirements, minimum development thresholds, and the terms and conditions under which financial assistance may be provided.

1.4 The amendment is intended to compliment the Town's existing Community Improvement Plan programs and other municipal initiatives designed to support community revitalization, economic development and housing.

SECTION 2 - LOCATION

2.1 The proposed amendment applies to all lands within the existing Community Improvement Plan Area of the Town of Parry Sound.

SECTION 3 - BACKGROUND AND BASIS OF AMENDMENT

3.1 The Town of Parry Sound recognizes that the availability, variety and affordability of housing are important components of a healthy and sustainable community. The Official Plan of the Town of Parry Sound identifies community improvement as a tool to advance the social and economic priorities of the Town, including the production of housing.

3.2 The Town's draft Official Plan further identifies enhancing the amount, variety and quality of housing to meet the needs of Town residents as a basis for Community Improvement.

3.3 The proposed amendment is intended to respond to these objectives by providing a targeted financial incentive for the development of new purpose-built rental housing. The incentive is intended to encourage private investment in rental housing development that may otherwise be constrained by the significant upfront costs associated with land acquisition, construction, financing and development, together with the economic realities of new rental development.

3.4 The proposed program will be targeted toward developments that provide meaningful increase to the Town's rental housing supply. Eligibility will be limited to developments creating a minimum of ten (10) new rental dwelling units.

3.5 The proposed program will temporarily offset a portion of the incremental municipal property tax associated with an eligible development over a period of ten (10) years. By providing assistance during the initial operating period of a new rental development, the program is intended to improve project feasibility, support project financing and assist in the recovery of significant upfront development costs.

3.6 The incentive will be based on the incremental property tax revenue generated by the eligible development and will not reduce the Town's existing property tax revenue. Following the conclusion of the ten-year incentive period, the Town will retain the full municipal property tax revenue associated with the increased assessment.

3.7 The amendment encourages private investment and redevelopment that advances identified municipal objectives relating to housing, community development and economic growth, while establishing a temporary and targeted financial incentive that provides a long-term benefit to the Town through an increased assessment and expanded municipal tax base.

Part B - The Amendment

All of this part of the document entitled PART B - THE AMENDMENET, consisting of the following text and Schedule "A-1) constitutes Amendment No. 1 to the Town of Parry Sound Community Improvement Plan.

SECTION 4 – APPLICABLE LANDS

This amendment will apply to all areas under the existing Community Improvement Plan which encompass the entire area of the Town of Parry Sound.

SECTION 5 – DETAILS OF THE AMENDMENT

5.1 That the new Section be added to the existing Community Improvement Plan titled "Rental Housing Tax Increment Equivalent Grant Program" immediately following the "Redevelop Environmentally Unfit Sits Effectively Program" Implementation Section as follows:

Rental Housing Tax Increment Equivalent Grant Program
Purpose of amendment
The purpose of this amendment is to establish a Tax Increment Equivalent Grant program to encourage the development, redevelopment, expansion and adaptive reuse of lands and buildings for the creation of new purpose-built rental housing within the Community Improvement Project Area.

The objective of the program is to increase the supply of rental housing in the Town of Parry Sound through a simple, predictable and performance-based financial incentive.

Eligibility
A property may be eligible for the Rental Housing TIEG where, in the opinion of the Town, the proposed development satisfies all applicable requirements of Schedule "A". The minimum eligibility requirements shall include:

a) the development is located within the Community Improvement Project Area;
b) the development is undertaken by a private owner or developer;
c) the development creates a minimum of 10 new rental dwelling units on the same lot;
d) the dwelling units are intended for long-term residential rental purposes;

e) the development is a new development, redevelopment, expansion or adaptive reuse that results in the creation of new rental dwelling units;
f) the development results in an increase in the assessed value of the property;
g) the applicant has submitted an application for the TIEG prior to issuance of a Building Permit of the eligible development; and
h) the property is in good standing with respect to municipal property taxes and other municipal accounts, unless otherwise authorized by Council.
i) The property is part of medium or high density development. Ie. Single Detached or Semi-detached dwellings are not eligible.

Rental Housing TIEG
An eligible property may receive a Tax Increment Equivalent Grant equal to 100% of the municipal tax increment attributable to the eligible development in year one and declining by 10% per year for a period of 10 consecutive taxation years.

The TIEG shall be calculated based upon the increase in the municipal portion of property taxes attributable to the increase in assessed value resulting from the eligible development.

The TIEG shall not include:

- education property taxes;
- taxes imposed by another municipality, agency, board or other authority; or
- any amount that does not constitute an increase in municipal property taxes attributable to the eligible development.

Commencement of TIEG
The TIEG shall commence following:

a. substantial completion of the eligible development;
b) occupancy of the eligible rental dwelling units, as applicable;
c) establishment of the applicable assessment by the Municipal Property Assessment Corporation; and
d) payment of the applicable property taxes.

The precise commencement date and calculation methodology shall be established in the TIEG Agreement between the Town and the registered owner.

Duration
The TIEG shall be provided for a maximum of 10 taxation years.

Following the expiry of the 10-year incentive period, the owner shall be responsible for the full municipal property taxes applicable to the property and no further TIEG shall be payable.

Tax increment Calculation
The municipal tax increment shall be determined based on the difference between:

a) the municipal portion of property taxes attributable to the assessment of the property following completion of the eligible development; and

b) the municipal portion of property taxes attributable to the assessment of the property immediately prior to the eligible development, as determined by the Town in consultation with the Director of Finance and based upon assessment information provided by MPAC.

Where necessary, the Town may establish an appropriate baseline assessment to account for changes to the property that are unrelated to the eligible development.

No Grant where No Meaningful Tax is Created
No TIEG shall be payable where the eligible development does not result in a meaningful increase in the municipal property tax assessment.

The amount of the TIEG shall be limited to the actual municipal tax increment generated by the eligible development.

Eligible Costs
The total amount of grants, loans and applicable tax assistance provided with respect to particular lands and buildings shall not exceed the eligible costs permitted under the Planning Act and the Community Improvement Plan.

Section 28(7.3) of the Planning Act provides that the total grants and loans and applicable tax assistance provided in respect of particular lands and buildings shall not exceed the eligible cost of the Community Improvement Plan with respect to those lands and buildings.

Rental Tenure Requirement
As a condition of receiving the TIEG, the eligible dwelling units shall remain substantially in long-term rental residential use throughout the TIEG period.

A property shall cease to be eligible for future TIEG payments where:

a) the eligible dwelling units are converted to condominium or other ownership tenure;

b) the units are substantially converted to short-term accommodation or transient accommodation; or

c) the property otherwise ceases to satisfy the rental housing eligibility requirements established by the Community Improvement Plan or the TIEG Agreement.

TIEG Agreement

Prior to any TIEG payment being made, the registered owner of the eligible property shall enter into a written agreement with the Town.

The agreement may establish:

- the amount and duration of the TIEG;
- the eligible development;
- the commencement date;
- the method of calculating the municipal tax increment;
- the requirements for maintaining the property as long-term rental housing;
- reporting and documentation requirements;
- circumstances in which the TIEG may be suspended or terminated;
- provisions respecting repayment of TIEG payments where appropriate;
- the assignment of the agreement to a subsequent owner; and
- any other terms and conditions considered necessary by the Town.

Registration of Agreement

The TIEG Agreement shall be registered against the title of the property in accordance with the Planning Act.

Section 28(11) permits an agreement concerning a grant or loan under a Community Improvement Plan to be registered against the land to which it applies and permits the municipality to enforce the provisions of the agreement against subsequent owners or tenants, subject to the applicable land registration legislation.

Application and Approval

Applications for the Rental Housing TIEG shall be submitted to the Town in the form and manner prescribed by the Town.

The application shall be reviewed by appropriate municipal staff to determine whether the proposed development satisfies the requirements of the Community Improvement Plan and this By-law.

Approval of an application shall not relieve the applicant from complying with:

a) the Planning Act;

b) the Town's Official Plan;
c) the Town's Zoning By-law;
d) the Ontario Building Code;
e) site plan control requirements;
f) development charges;
g) other applicable municipal by-laws; or
h) any other applicable legislation or regulation.

No Guarantee of Approval

Eligibility under the Rental Housing TIEG program does not constitute:

a) approval of a planning application;
b) approval of a building permit;
c) approval of a zoning amendment or minor variance;
d) approval of a site plan; or
e) any other approval required for the development.

Discretion

Council may approve, refuse or impose conditions upon an application for a TIEG where permitted by the Community Improvement Plan and applicable law.

Nothing in this By-law shall be interpreted as requiring the Town to enter into a TIEG Agreement where Council determines that the proposed development does not adequately satisfy the objectives of the Community Improvement Plan.

Administration

The Director of Development and Protective Services, Manager of Planning and Director of Finance, or their designates, are authorized to administer the Rental Housing TIEG program in accordance with the Community Improvement Plan and this By-law.

The Manager of Taxation or their delegate is authorized to calculate the applicable municipal tax increment and TIEG payment in accordance with the approved TIEG Agreement.

Annual Payment

Subject to compliance with the Community Improvement Plan and TIEG Agreement, the TIEG shall be calculated annually following confirmation of the applicable assessment and municipal property tax information.

The TIEG shall not be paid where property taxes applicable to the property are in arrears, except where otherwise authorized by the Town.

Termination
The Town may terminate the TIEG where:

a) the development is not completed within the timeframe established in the TIEG Agreement;
b) the property ceases to satisfy the eligibility requirements;
c) the property ceases to be used substantially for long-term rental housing during the incentive period;
d) the applicant has provided materially false or misleading information;
e) the applicant is in material breach of the TIEG Agreement; or
f) the TIEG is otherwise determined to have been provided contrary to the Community Improvement Plan or applicable law.

The TIEG Agreement may establish whether previously paid amounts are repayable in circumstances where the agreement is terminated.

Assignment
The TIEG shall not be assigned to a subsequent owner without the prior written approval of the Town.

Where a property is sold during the incentive period, the Town may permit the TIEG Agreement to be assigned to the new owner at the Towns discretion provided that the new owner agrees in writing to assume all applicable obligations under the agreement.

No Retroactive Eligibility
A development that has received Building Permit issuance prior to the submission and approval of a TIEG application shall not be eligible for the Rental Housing TIEG unless Council determines otherwise in accordance with the Community Improvement Plan and applicable law.

5.2 That a new Section be added to the existing Community Improvement Plan titled "Appendix 6: Rental Housing Tax Increment Equivalent Grant Program Guidelines and Procedures" immediately following Appendix 5: Community Improvement Area By-law" as follows:

APPENDIX 6: Rental Housing Tax Equivalent Grant Program Guidelines and Procedures

1. PROGRAM PURPOSE

The program is intended to:

- increase the supply of rental housing;
- encourage private investment in new rental housing;
- support the redevelopment and intensification of properties;
- improve the Town's long-term assessment and municipal tax base; and
- provide a simple, predictable and administratively efficient development incentive.

The TIEG is a performance-based incentive. No grant is payable unless the eligible development is completed and generates an increase in municipal property taxes.

2. WHO IS ELIGIBLE TO APPLY

Property owners who propose the development or redevelopment of their properties and where such development or redevelopment results in more than 10 rental apartment units is proposed. The development or redevelopment must result in a significant increase in the property assessment for the application to be considered. Property owners who propose development exempt from taxation are not eligible.

3. ELIGIBILITY CRITERIA

The following types of development may qualify:

a) the development is located within the Community Improvement Project Area;
b) the development is undertaken by a private owner or developer;
c) the development creates a minimum of 10 new rental dwelling units on the same lot;
d) the dwelling units are intended for long-term residential rental purposes;
e) the development is a new development, redevelopment, expansion or adaptive reuse that results in the creation of new rental dwelling units;
f) the development results in an increase in the assessed value of the property;

g) the applicant has submitted an application for the TIEG prior to issuance of a Building Permit of the eligible development; and
h) the property is in good standing with respect to municipal property taxes and other municipal accounts, unless otherwise authorized by Council.
i) The property is part of medium or high density development. Ie. Single Detached or Semi-detached dwellings are not eligible.

4. TIEG AMOUNT

An approved development may receive a TIEG equal to:

100% of the municipal tax increment generated by the eligible development in year one then declining by 10% for 10 consecutive taxation years until 0% is achieved.

The TIEG does not constitute a reimbursement of construction costs.

The amount of the TIEG is directly related to the additional municipal property tax revenue generated by the completed development.

5. TAX INCREMENT

For purposes of the program, the "Municipal Tax Increment" is the increase in the municipal portion of property taxes attributable to the eligible development. Generally, the tax increment will be calculated as:

Municipal taxes following the eligible development

LESS

Municipal taxes applicable to the property immediately prior to the eligible development

The calculation shall be undertaken by the Town's Finance Department using assessment and taxation information available to the Town.
The TIEG does not include:

1. education property taxes;
2. taxes collected on behalf of other taxing authorities;
3. local improvement charges;
4. penalties or interest;
5. fees;
6. development charges; or
7. other municipal charges that are not property taxes.

6. CHANGES IN TAX RATES

The TIEG is based upon the actual municipal tax increment generated by the eligible property. Accordingly, changes in municipal tax rates during the 10-year period may result in changes to the annual TIEG.

The TIEG is not a fixed-dollar grant.

7. ASSESSMENT

The Town will use assessment information provided by the Municipal Property Assessment Corporation ("MPAC") for purposes of determining the applicable municipal tax increment.

The TIEG shall not be calculated until sufficient assessment and taxation information is available to establish the post-development municipal tax obligation.

Where assessment information is subsequently revised, the Town may adjust future TIEG payments or recover an overpayment, as provided in the TIEG Agreement.

8. APPLICATION REQUIREMENT

An application must be submitted to the Town before Building Permit issuance of the eligible development commences.

The Town may refuse applications submitted after Building Permit issuance.

The purpose of this requirement is to ensure that the TIEG functions as an incentive to encourage development rather than as a retroactive tax rebate.

9. APPLICATION MATERIALS

The applicant shall submit:

a) completed TIEG application form;
b) legal description and municipal address of the property;
c) description of the proposed development;
d) number and type of existing (if applicable) and proposed dwelling units;
e) confirmation that the units will be intended for long-term rental;
f) estimated construction value;
g) proposed construction schedule;
h) applicable planning approvals;
i) evidence of ownership or authorization from the registered owner; and
j) any additional information reasonably required by the Town to determine eligibility.

The Town may waive information requirements where the information is not reasonably necessary to determine eligibility.

10. DEVELOPMENT APPROVALS

Approval under the TIEG program does not constitute approval of any other municipal application. The applicant remains responsible for obtaining all required approves including but not limited to:

a) zoning approvals;
b) minor variances;
c) Official Plan approvals;
d) site plan approval;
e) building permits;
f) development approvals;
g) servicing approvals; and
h) other required permits or approvals.

11. APPROVAL PROCESS

The general process is:

1) ***Pre-consultation:*** Applicant discusses proposed development with Town staff.
2) ***TIEG Application:*** Applicant submits application prior to construction.
3) ***Staff Review:*** Staff confirm eligibility.
4) ***Approval:*** Council makes a decision on the TEIG application. If approved, move to next step
5) ***TIEG Agreement:*** Owner and Town execute agreement.
6) ***Development:*** Construction proceeds.
7) ***Completion:*** Development is substantially completed and occupied.
8) ***Assessment:*** MPAC establishes applicable assessment.
9) ***Taxation:*** Municipal tax increment is established.
10) ***Annual Payment:*** TIEG is calculated and paid annually.
11) ***Five-Year Expiry:*** TIEG ends and full municipal taxation applies.

12. TIEG AGREEMENT

An approved applicant must enter into a TIEG Agreement with the Town. No TIEG payment will be made unless the agreement has been executed. The agreement will establish:

a) the eligible property;
b) the eligible development;
c) the number of rental units;
d) the TIEG commencement date;
e) the five-year incentive period;
f) the method of calculating the tax increment;

g) the payment process;
h) rental-use requirements;
i) assignment provisions;
j) termination provisions; and
k) any other conditions applicable to the development.

13. COMMENCEMENT OF PAYMENTS

The TIEG will generally commence once:

a) the eligible development is substantially completed;
b) the eligible rental units are available for occupancy;
c) the applicable assessment has been established;
d) the municipal tax increment can be determined; and
e) the property owner is in compliance with the TIEG Agreement.

14. PAYMENT PERIOD

The TIEG will be available for a maximum of 10 consecutive taxation years.

The TIEG percentage is:

Year	TIEG
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%
11	0%

After Year 10, the owner receives no further TIEG and the Town retains 100% of the municipal tax increment.

15. PROPERTY TAXES

The property owner must remain current with respect to municipal property taxes. The Town may withhold a TIEG payment where property taxes are in arrears.

16. RENTAL USE DURING INCENTIVE PERIOD
The eligible rental dwelling units must remain substantially in long-term rental use throughout the TIEG period.

If the property is converted to another tenure or use, the Town may terminate the TIEG in accordance with the TIEG Agreement.

17. SALE OF PROPERTY
The sale of a property does not automatically terminate the TIEG.

The Town may permit the TIEG Agreement to be assigned to a purchaser where the purchaser:

a) agrees to assume the obligations of the existing agreement;
b) continues to operate the eligible units as long-term rental housing; and
c) executes an assignment and assumption agreement acceptable to the Town.

18. NO TRANSFER OF TAX BENEFIT GUARANTEE
The Town does not guarantee any particular assessment, tax rate, TIEG amount or investment return.

The actual TIEG will depend on:

a) assessment;
b) municipal tax rates;
c) completion of the development;
d) number and nature of eligible units; and
e) continued compliance with the program.

19. PROGRAM LIMITATIONS
The Town may establish limits on the total amount of financial assistance provided where required by the Planning Act, the Community Improvement Plan or other applicable legislation.

20. ADMINISTRATION
The program will be administered jointly by the Planning and Finance Departments.

Planning staff will generally be responsible for:

a) Promotion of the program
b) Helping determine eligibility;
c) Development details;

d) Rental-use requirements; and
e) Agreement administration.

Finance staff will generally be responsible for:
a) Confirming Eligibility;
b) Assessment information;
c) Tax calculations;
d) Tax increment calculations; and
e) Payment and monitoring of the TIEG.

21. CONTACT

Town of Parry Sound
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