



Regional Major Office Incentives Program

Introduction

In support of achieving the Region's growth forecasts, the Region explored identified and considered various strategies to attract major office development. One of the strategies to be explored included consideration of incentives through a regional community improvement plan for major office employment.

In 2020, the Region of Peel undertook an assessment to consider how it could encourage and incentivize more Major Office type development, and as a result, increase employment in the Region of Peel.

The result of this assessment was a resolution from Regional Council to incentivize Major Office development by establishing a Regional Major Office Incentives program to participate in local municipal Community Improvement Plans (CIPs) that also incentivize Major Office development.

Additionally, Regional Council directed that the incentive be provided through Tax Increment Equivalent Grants (TIEGs) in addition to a TIEG provided by the local municipalities within their CIPs.

What is the Region's Major Office Incentives Program?

The Regional Major Office Incentives (MOI) Program is a partnership program between the Region of Peel and its three local municipalities (Brampton, Caledon and Mississauga) to provide financial incentives to encourage major office development.

The overall intended outcome of the MOI program is to support the Region in meeting its employment forecasts.

The MOI Program details, eligibility and process are outlined below.

Regional Major Office Incentives Program

TIEG Incentive

When a local municipality provides a Tax Increment Equivalent Grant (TIEG) for an eligible office development, the Region will contribute a financial incentive via a TIEG that matches the reimbursement percentage and the duration of the local TIEG provided that it satisfies the Regional Office Incentives Program criteria.



Section 1: Program Details

Regional Incentive Offered

The Region of Peel is offering a TIEG for successful applications which meet the criteria outlined in Section 2.

The Region's grant will be a TIEG that matches the local municipal TIEG by structure, within the following thresholds:

- The TIEG starting percentage must be no higher than 100%.
- The TIEG must decline by no less than 7% each year.
- The TIEG will be in place for up to ten years.

Program Expiry: The MOI Program will come into effect and be open to receive applications for a period 5 years from Council Approval, as per the corresponding by-law, subject to annual monitoring and program outcomes.

TIEG Process

The high-level process for determining the Grant to be issued is:

- 1. Determine the Base Tax Level:** What is the current assessed value, tax rate, and property tax payment of the property prior to the development occurring?
- 2. Determine the Post-Development Tax Level:** What is the newly assessed value, tax rate, and property tax payment of the property once development has occurred, and the property has been reassessed?
- 3. Determine the Incremental Difference:** What is the difference between the base and post-development tax level?
- 4. Refund a Portion of the Incremental Difference:** A grant will be issued for a portion of this incremental increase as per the outlined structure.

Regional Major Office Incentives Program

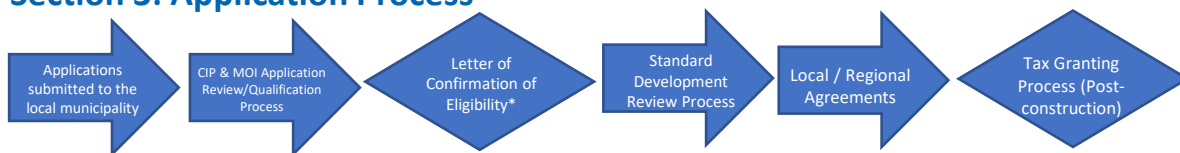
Section 2: Application Eligibility and Criteria

Project Criteria and Eligibility Checklist

- The project/application must be proposing the development of major office within the Region of Peel and specifically within a designated Community Improvement Area in one of Peel’s local municipalities.
- A new standalone major office development or a new major office component that meets the Region of Peel’s definition of Major Office: Major Office employment of **20,000 sq. ft. (1,858 m²) or above (up to 10% less will be considered as well)**.
- In a mixed-use development or structure, only the new major office component, as defined will be eligible for incentives.
- The project/application must conform to the Regional Official Plan and the subject local municipality’s official plan.
- Owner-occupied or multi-tenant buildings can be eligible.
- Only new major office construction or the adaptive reuse of non-office buildings to major office uses, where the payment of increased property taxes would apply, are eligible.

The Region’s MOI program will be open to receive applications, made prior to building permit issuance, for a period of 5 years from Council Approval, subject to regular monitoring and program outcomes. For greater clarity, applicants who already have a building permit issued shall not be eligible for the program.

Section 3: Application Process



Successful Projects: Agreements, Terms, and Funding

Following the approval of successful projects, the Region will outline the terms of the commitment.

Contribution Agreements

Agreements may include, but are not limited to, the following:

- Calculations of expected property tax grants.
- Amount of Regional incentives to be provided.
- Time period of Regional incentives to be provided.
- Commitment time limits of the proposal.
- Expiry date if not utilized.
- Confirmation of the amount of Major Office space being developed that meets Regional Criteria.
- Confirmation of conformity with Regional and Local Municipal Official Plans.

Final agreements will be made after the post-construction property tax assessment is available, with the TIEG value informing the Regional Council budgeting for the MOI Program. Regional Council or the staff delegate will make a grant to the local municipality to then be provided to the applicant.

Interaction with other planning incentives:

Projects receiving a TIEG from the local level are eligible for Regional incentives to increase the overall likelihood of project success.

Links to Local Municipal CIPs for Major Office Development:

- [City of Mississauga Downtown CIP](#) & [City of Brampton Central Area CIP](#)

Note: Only formal application materials should be used to determine appropriateness of the Region of Peel Major Office Incentives Program for specific projects. Formal application materials and detailed legal requirements and agreements will be finalized following Regional Council endorsement of the Program and the formal materials will supersede this document. *Regional Council approval may be required based on the limitations of the delegated authority to staff outlined in the MOI Program by-law.