



This Agreement dated as of the ____ day of _____, 2025

TAX INCREMENT EQUIVALENT GRANT AGREEMENT
(the “Agreement”)

Between:

THE CORPORATION OF THE CITY OF BARRIE
 (“the City”)

And

<INSERT>

(“the Owner”)

BACKGROUND:

WHEREAS the City has approved a Tax Increment Equivalent Grant Applications (File No. D18-TIEG-000-2024) under the Housing Community Improvement Plan, May 2024 (the “Housing CIP”) submitted by <insert> (the “Owner”) pursuant to Section 28 of the *Planning Act*, R.S.O. 1990 c. P.13;

AND WHEREAS the Owner owns the lands legally described as <insert legal description> being all of PIN <insert> and municipally known as <insert address>, Barrie (the “Property”);

AND WHEREAS the Property is eligible for a Tax Increment Equivalent Grant through the CIP, as described in Sections 4 to 10 inclusive, herein (the “Grant”);

AND WHEREAS the Owner has or will be constructing an <insert description – e.g. #-storey, building type, unit count, other GFA, etc> (the “Approved Project”);

AND WHEREAS the Owner has been approved by the City under the Housing CIP for a Grant for the purposes of providing # purpose-built rental units;

NOW THEREFORE in consideration of the terms and conditions set out in this Agreement, the City and the Owner agree as follows:

DEFINITIONS AND INTERPRETATION

1. Definitions – In this Agreement, the following expressions have the following meanings:
 - a. “Agreement” means this document including Schedules “A”, “B” and “C”.

- b. "Applicable Laws" means all statutes, laws, by laws, regulations, ordinances, orders, policies, guidelines and requirements of governmental or other public authorities having jurisdiction in force from time to time.
- c. "Approved Project" means <insert description – e.g. #-storey, building type, unit count, other GFA, etc.> proposed by the Owner, for which the Owner has been approved by the City, as detailed in Schedule "A" attached to and forming part of this Agreement.
- d. "Conditional Approval" has the meaning set out in Section 4 of this Agreement.
- e. "Event of Default" means the events set out in Section 31 of this Agreement.
- f. "Grant" means grant funds paid by the City to the Owner pursuant to the City's Housing CIP Tax Increment Equivalent Grant program under this Agreement.
- g. "Grant Effective Date" means grant funds paid by the City to the Owner pursuant to the City's Housing CIP Tax Increment Equivalent Grant program under this Agreement.
- h. "Housing CIP" has the meaning as set out in the recitals above;
- i. "Mixed Use" means buildings that includes more than one use within a single building. The range of uses that may be permitted in such buildings is limited to those allowed for in the relevant land use zone.
- j. "Occupancy Permit" means a permit issued by the Chief Building Official pursuant to Section 11 of the Building Code Act and issued in accordance with the Building Code, Division C, Subsection 1.3.3., Occupancy of Buildings.
- k. "Owner" has the meaning as set out in the recitals above.
- l. "Property" has the meaning as set out in the recitals above.
- m. "Property Taxes" means an ad valorem tax on the value of the Property.
- n. "Purpose-Built Rental" means housing built specifically for long-term residential rental accommodation.
- o. "Unit" shall mean a domicile containing cooking, eating, living, sleeping and sanitary facilities.

HEADINGS

- 2. The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

TERM

- 3. The term of this Agreement is from the date of execution of this Agreement and will expire 10 years following the Grant Effective Date unless terminated in writing by the City one year before the cancellation is to take effect. For clarification, the Term of this Agreement shall be in full force and effect until the Grant Period (as defined below) expires.

GRANT

4. In accordance with the Conditional Approval issued by the Executive Director of Development Services, dated <date>, for application number <insert> (the “Conditional Approval”), the Approved Project is approved for a Tax Increment Equivalent Grant through the Housing CIP.
5. The Tax Increment Equivalent Grant shall only be applied to the portion of the Approved Project that is used for Purpose-Built Rental housing.
6. The Tax Increment Equivalent Grant is not transferrable to any other property or development.
7. Only the Approved Project or as further amended and agreed to in writing between the Parties hereto is eligible to receive the Tax Increment Equivalent Grant.
8. The City shall provide to the Owner a Tax Increment Equivalent Grant following completion of the Approved Project equal to a percentage of the tax increment paid for the City’s portion on the property taxes, in decreasing percentages of the increment over a 10-year period, as follows:
 - a. Year 1 – 100% of tax increment (pro-rated)
 - b. Year 2 – 90% of tax increment
 - c. Year 3 – 80% of tax increment
 - d. Year 4 – 70% of tax increment
 - e. Year 5 – 60% of tax increment
 - f. Year 6 – 50% of tax increment
 - g. Year 7 – 40% of tax increment
 - h. Year 8 - 30% of tax increment
 - i. Year 9 - 20% of tax increment
 - j. Year 10 – 10% of tax increment(the “Grant Period”).
9. For additional clarification, the tax increment shall be calculated as the difference between:
 - a. The annualized municipal taxes resulting from the increased assessment from project completion, as provided by Municipal Property Assessment Corporation (MPAC), adjusted if applicable by subsequent assessment appeal decisions; and,
 - b. The annualized municipal taxes based on assessment of the Property the day before the effective dates of the assessment increase noted above. Where properties that are not subject to taxes are redeveloped, the base tax shall be based on the tax that would be applied to the land and buildings based on the current use (for example, a municipal property or a church converted to a residential use shall not have a zero-base tax from which to calculate the tax increment).

10. For additional clarification, the Tax Increment Equivalent Grant is not a credit or discount. The Property Owner is required to ensure there are no outstanding arrears on their Property Taxes account and that they pay the full Property Taxes upfront and on time, and then the City will issue the Tax Increment Equivalent Grant.

GRANT PAYMENT TIMING

11. The timing of payment for the Tax Increment Equivalent Grant payment shall be as follows:
 - a. The Tax Increment Equivalent Grant shall be paid annually through the incremental taxes upon Municipal Property Assessment Corporation (MPAC) re-assessment of the Property after completion of the Approved Project has occurred, for a maximum of ten years. The total payment shall not exceed the cost of development or redevelopment. The annual grant will be equal to a percentage of the tax increment paid for the City's portion on the property taxes, in decreasing percentages of the increment as detailed in Section 8.
 - b. Following the completion of the Approved Project, the Owner shall provide the City with a Property Assessment Change Notice (PACN) from MPAC. The Owner acknowledges and agrees that the City will not issue the Tax Increment Equivalent Grant(s) until the PACN has been submitted to the City and the property taxes have been paid in full.
 - c. If the Property is issued more than one PACN from Municipal Property Assessment Corporation MPAC prior to the issuance of the final Occupancy Permit and completion of the Approved Project, the Owner is required to provide the City with each PACN. The Owner may request to initiate the Tax Increment Equivalent Grant after the issuance of the first PACN from MPAC. Otherwise, the 10-year period of Tax Increment Equivalent Grant payments will begin after a PACN from MPAC is issued following completion of the Approved Project.
 - d. The Owner has twelve (12) months to provide the City with the PACN that is issued by MPAC following the issuance of the final Occupancy Permit and completion of the Approved Project, otherwise they shall be deemed to have forfeited the Tax Increment Incentive Grant and the City may revoke the Conditional Approval.
 - e. The Tax Increment Equivalent Grant shall not be applied retroactively to any payments missed due to the failure of the Owner to initiate the Grant because they did not provide the City with the PACN from MPAC in accordance with the above requirements of Section 11 d.

OWNER RESPONSIBILITIES

12. The Owner hereby acknowledges receiving and reviewing this agreement, including attached Schedules "A", "B" and "C", and agrees to be bound by the General Terms and Conditions of the Housing CIP and Tax Increment Equivalent Grant Program therein.
13. The Owner is responsible for obtaining all necessary approvals and permits regarding the Approved Project.

14. Owner is responsible for ensuring that all contracts and subcontracts necessary for the completion of the Approved Project, are in place and in compliance with recognized construction practices and all applicable legislation in Ontario.
15. The Owner shall ensure that during the construction of the approved project, the *Construction Act, RSO 1990 c. C.30* is complied with and the Owner shall be responsible for ensuring that upon completion of the Approved Project that no liens are registered on the title to the Lands.
16. The City is not responsible for any costs incurred by the Owner in relation to the Tax Increment Equivalent Grant.

OWNER CONSTRUCTION REPORTING AND COMPLIANCE REQUIREMENTS

17. The Owner agrees to provide reports for the project semi-annually to City representatives including the following:
 - a. Office address
 - b. Project scheduling with start-up, milestones and planned completion date
 - c. Projected cost requirements
 - d. Variances in construction schedule
18. The Owner agrees to advise the City's representative in writing of any project delays, or unusual or unforeseen conditions as soon as they become known.
19. The Owner agrees to allow the City or any of the City's representative's access to the project site, any architectural or engineering drawings or documents, or any other project related documents as may be determined by them.
20. The City reserves the right to peer review/audit any studies and/or works respecting the Approved Project at the expense of the Owner.

NOTICE

21. Notice to be given under this Assignment shall be in writing and may be mailed or electronically transmitted, addressed to the parties as follows:

If to the City:

City of Barrie
City Hall, 70 Collier Street
P.O. Box 400, Barrie, ON L4M 4T5

Attn: City Clerk

If to the Owner:

<name>
<company>
<address>
<City, ON, postal code>
<email>

22. The Owner contractors, and sub-contractors shall maintain workers compensation insurance in accordance with the requirements of the *Workers' Compensation Act, R.S.A. 2000, c. W-15*, as amended from time to time, if required. Evidence of compliance with the *Workers' Compensation Act* as may be requested by the City. Such coverage shall include volunteers of the Owner, if applicable.
23. Prior to commencement of the Approved Project, the Owner shall provide acceptable evidence of the insurance required by this Agreement to the City.

LIABILITY AND INDEMNITY

24. The Owner shall indemnify and hold harmless the City from any and all third-party claims, demands, or actions for which the Owner is legally responsible, including those arising out of negligence or willful acts by its employees, volunteers, contractors, subcontractors or agents. This clause shall survive this Agreement.

INSURANCE

25. The Owner shall obtain a policy of Commercial General Liability, underwritten by an insurer licensed to conduct business in the Province of Ontario, for a limit of not less than \$5,000,000.00 per occurrence and no aggregate limit within any policy year. The policy shall include an extension for a standard provincial and territorial form of non-owned automobile liability policy. This policy shall include but not be limited to:
- a. Name the Municipality as an additional insured
 - b. Cross-liability and severability of interest
 - c. Blanket Contractual
 - d. Products and Completed Operations
 - e. Premises and Operations Liability
 - f. Personal Injury Liability
 - g. Contingent Employers Liability
 - h. Owners and Contractors Protective
 - i. Broad Form Property Damage
 - j. The policy shall include 30 days notice of cancellation
26. The Owner shall provide the City with a satisfactory Certificate evidencing this policy of Insurance prior to any Grant funds being advanced pursuant to this Agreement.

MUNICIPAL FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

27. The Owner acknowledges and agrees that the City is subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, RSO 1990 c. M.56 ("MFIPPA") and agrees that this Agreement, including the name of the Owner and the consideration of the Grant given hereunder, may be subject to disclosure.

ASSIGNMENT

28. This Agreement is not assignable in whole or in part by the Owner without the prior written consent of the City which may be withheld within the City's discretion for any reason.
29. This Agreement shall be for the benefit of and binds the successors and assigns of the parties.
30. This Agreement, as amended from time to time by agreement in writing of the parties, shall be the entire Agreement between the parties as to the matters herein and all previous promises, representations or agreements between the parties, whether oral or written, with respect to these matters shall be deemed to have been replaced by this Agreement.

EVENT OF DEFAULT

31. The Owner hereby agrees that the following events shall constitute an event of default under this Agreement;
 - a. Failure by the Owner to provide the City with a Property Assessment Change Notice (PACN) from Municipal Property Assessment Corporation (MPAC) within twelve (12) months of issuance, in accordance with the requirements of Section 11 of this agreement.
 - b. Failure by the Owner to maintain the Approved Project as a Purpose-Built Rental for the duration of the Term of this Agreement.
 - c. Failure by the Owner to maintain their municipal Property Taxes in good standing.
 - d. Failure by the Owner to comply with all Applicable Laws, City By-Laws, work orders, property standards, or any other municipal or governmental direction or order.
 - e. Failure of the Owner to obtain the prior written consent of the City to transfer or assign this Agreement in the event the Owner sells, transfers, assigns or otherwise disposes of the Property or Approved Project to a new owner.
 - f. Failure of the Owner to commence construction of the Approved Project by **<insert date>**, as determined by the date of the first footing inspection, to be confirmed by the Chief Building Official (CBO).
 - g. Failure of the Owner obtain a final Occupancy Permit by **<insert date>**.
32. If the Owner is in default of any program requirement, or any other requirement of the City, the City may delay, reduce or cancel the Tax Increment Equivalent Grant approval. The City may discontinue or rescind the Tax Increment Equivalent Grant where there is not compliance with an executed agreement. Funds rescinded would be directed back to the tax levy.
33. The City reserves, among all other rights and remedies available to it at law or equity, the right to recover payment in part or in full or to set off against future payments on account

of Grant funding, should an event of default occur and not be rectified in accordance with the provisions of this Agreement.

TERMINATION

34. If the Owner is in breach of any term of this Agreement or has committed an Event of Default as set out above, the City in its sole discretion may provide the Owner with thirty (30) days notice to remedy the breach or Event of Default. If the breach or Event of Default has not been remedied to the City's satisfaction within 30 days, the City may terminate this Agreement and require the Owner to repay all or a portion of the Grant advanced to the Owner pursuant to this Agreement.
35. A waiver of any breach of a provision by the City shall not be binding upon the Owner unless the waiver is in writing and the waiver shall not affect the City's rights with respect to any other or future breach by the Owner.

GENERAL

36. This Agreement shall be construed and governed in accordance with the Laws of the Province of Ontario. In the event of a dispute, the parties agree that such dispute shall be subject to the jurisdiction of the Courts of the Province of Ontario.
37. Time is of the essence of this Agreement.
38. In the event of a conflict between the Agreement and any schedules attached hereto, the Agreement shall govern.
39. In the event that any provision or provisions of this Agreement are ruled unenforceable by a court of competent jurisdiction, the parties acknowledge and agree that the remaining provisions shall continue to be of full force and effect.
40. The parties acknowledge and agree that any schedules hereto may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one (1) single document.

REGISTRATION ON TITLE

41. The Owner hereby covenants and agrees that this Agreement and any such schedules attached hereto may be registered upon title to the Lands and that such registration shall be at the instance of the Municipality and at its sole and absolute discretion. The Owner further covenants and agrees to pay all costs associated with the preparation and registration of this Agreement, as well as all other costs incurred by the Municipality as a result of the registration of any other documents pertaining to this Agreement, including but not limited to, any amendments thereto.

POSTPONEMENT AND SUBORDINATION

42. The Owner covenants and agrees, at its own expense, to obtain and register such documentation from its mortgagees or other encumbrancers as may be deemed necessary by the Municipality and its solicitor to postpone and subordinate their interest

in the Lands to the interest of the Municipality to the extent that this Agreement shall take effect and have priority as if it had been executed and registered prior to the execution and registration of the document or documents giving to the mortgagee and/or encumbrancers their interest in the Lands concurrent with the registration hereof.

REMOVAL OF AGREEMENT FROM TITLE

43. Following the expiry of the term of the Agreement, the Owner may submit a written request to the City to have the Agreement discharged from title to the Property and the City shall consent to the discharge of this Agreement from title to the Property.

EXECUTION

44. The Owner acknowledge that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

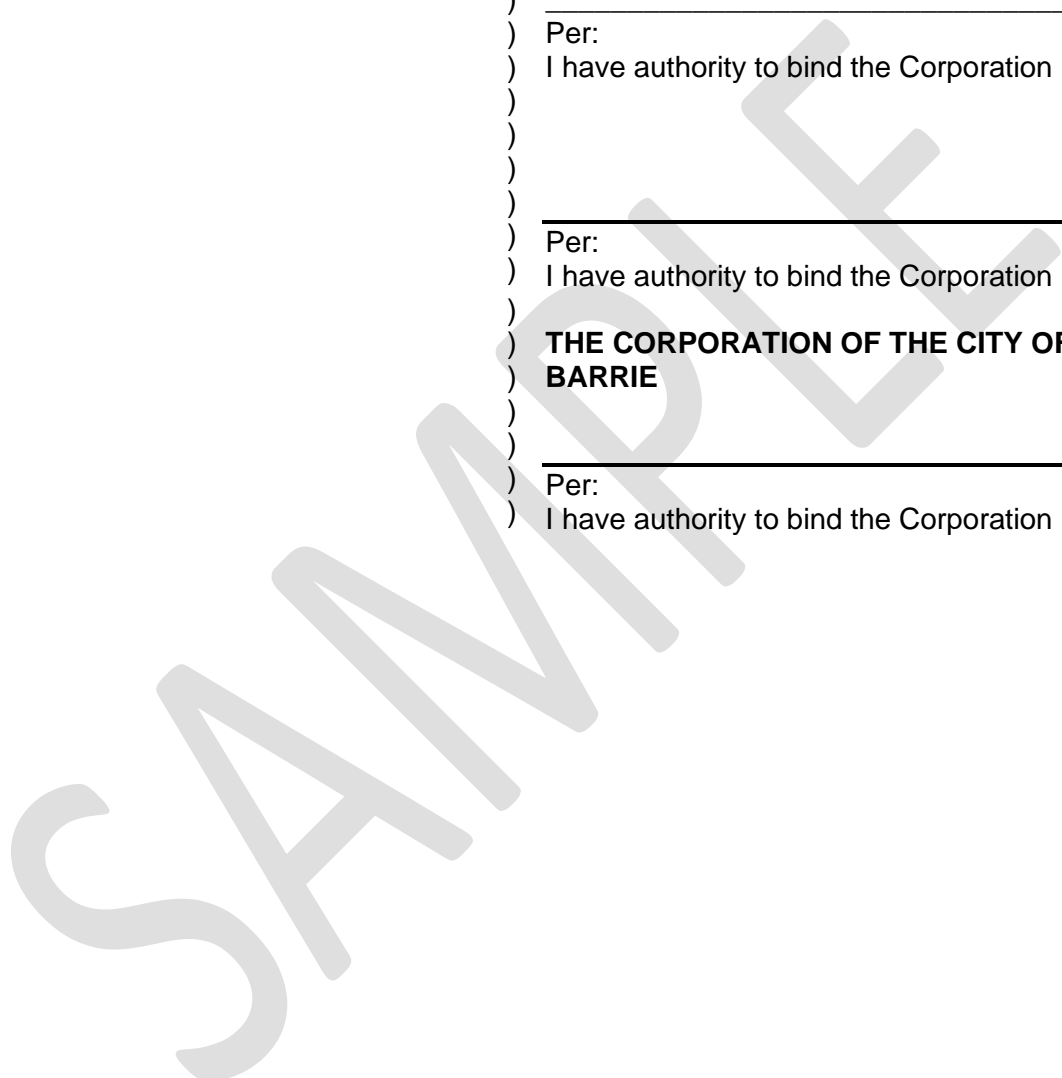
[Signing page follows]

SAMPLE

IN WITNESS WHEREOF the Parties hereto have hereunto affixed their corporate seals duly attested to by their proper signing officers in that behalf.

SIGNED, SEALED AND DELIVERED

) **<INSERT OWNER>**
)
)
) _____
) Per:
) I have authority to bind the Corporation
)
)
)
) _____
) Per:
) I have authority to bind the Corporation
)
) **THE CORPORATION OF THE CITY OF**
) **BARRIE**
)
) _____
) Per:
) I have authority to bind the Corporation



Schedule "A"

Approved Project – Concept Plan

SAMPLE

Schedule "B"

The Conditional Approval Letter

SAMPLE

Schedule "C"

Tax Increment Equivalent Grant Terms and Conditions

General Eligibility and Requirements (Section 3.4.1 of the Housing Community Improvement Plan (CIP))

All applications must meet all the following general requirements, in addition to any program specific eligibility requirements:

1. **Multiple Incentives:** Applicants can apply for multiple CIP programs, if eligible. When stacking CIP grants, the total combined grant funding shall not exceed eligible costs. City CIP incentives may be stacked with other government programs and funding [e.g. Canada Mortgage and Housing Corporation (CMHC) funding].
2. **Agreement Requirements:** An agreement between the City and the owner (registered or assessed owners of lands/buildings) may be required, which will set out the terms, duration, and default provisions of the incentive(s) to be provided; this may be registered on title of the subject lands. The City may discontinue or rescind any financial incentive where there is not compliance with an executed agreement.
3. **Location:** Projects must be located within the Community Improvement Project Area (i.e., the City of Barrie) to be eligible for CIP incentives. Project sites shall not be located on lands subject to flooding hazards, erosion hazards, including wetlands.
4. **Taxes:** The property under consideration shall not be in a position of property tax arrears or shall have a payment schedule acceptable to the Chief Financial Officer at the time of application.

Tax Increment Equivalent Grant (TIEG) Requirements (Section 3.4.3 of the Housing CIP)

All applicants (non-profit and charitable organizations and market/for-profit developers) must meet the following requirements, in addition to those noted in the General Eligibility and Requirements:

1. **Type of Housing Permitted:** Purpose-built multi-residential medium and high density housing. Projects can be standalone residential development or mixed-use.
2. **Housing tenure permitted:** Rental housing (where there is a landlord-tenant relationship, and tenants are recognized by the Residential Tenancies Act).
3. **Affordability:** While there is no requirement for inclusion of affordable units, it is encouraged.
4. **Development Status:** Projects must have received Site Plan Control approval. An application for the TIEG must be submitted at the time a Building Permit application is made. Applications for the TIEG can be accepted after Building Permit issuance but must be received prior to the issuance of an Occupancy Permit by Building Services.
5. **Non-profit and Charitable Organizations:** This program is available to both nonprofit and charitable organizations, and market/for-profit housing developers, or partnerships between them.
6. **Density:** Proposed development must meet or exceed the City's Official Plan density requirements.

Implementation and Administration (Section 4.1 of the Housing CIP)

The Housing CIP will be implemented through the policies of the Official Plan and Section 28 of the Planning Act.

Overall implementation will be subject to Council review and approval of program details and budgetary allocation. The CIP and associated programs will be administered by Development Services staff, in consultation with the Finance Department. The provision of any program of this CIP shall be administered based on merit and the limit of funding available in accordance with administrative rules governing the grant programs.

Additional specific details regarding the various incentive programs, applications, and administration procedures shall be set out in the grant application forms and may change from time to time without the need for an amendment to this CIP.

Funding Overview and Conditions (Section 4.2.1 of the Housing CIP)

The following is applicable to all grants issued through the Housing CIP programs:

1. **Agreements:** All applicants may be required to enter into an agreement with the City of Barrie specifying the amount to be paid by the City and the payment period. In all cases the property owner must consent to the agreement in writing. The legal agreement between the applicant and the City of Barrie regarding the provision of any affordable housing units will contain a clause to ensure that the eligible affordable housing units remain affordable in accordance with the definition in this CIP for a period of not less than 25 years. The funding agreement will outline any required construction timelines (e.g. when a Building Permit application needs to be submitted by).
2. **Forgivable Loans:** Any of the grant programs or financial incentives may be structured as loans or forgivable loans if necessary, to secure City interests.
3. **Property Ownership:** The project lands do not need to be owned by the applicant at the time of the application. There is a requirement that the lands are owned by either the applicant or a related/affiliated organization. We will be looking for additional information from the applicant regarding the ownership of the lands, and whether a transfer/sale is anticipated as the owner of the land will be party to the contribution agreement.
4. **Change in Property Ownership:** CIP grants will be available to a property owner only. The City may extend the original grant payment schedule to a new owner subject to an amended agreement with the new owner. Tax increment based grant payments to the original owner will cease if the original owner sells the property prior to payment of all installments per the schedule, and the grant has not been transferred or assigned through an agreement to the new owner.
5. **Transferability:** Assistance granted under any financial incentive or other program for a particular applicant is not transferable to any other property.

Grant Payments for Tax Increment Equivalent Grants (Section 4.2.2 of the Housing CIP)

Payment of grants will occur following the applicant entering into an agreement with the City of Barrie and the provision of the applicable documentation to demonstrate that the work has been completed, as required. Applicants are required to pay the necessary fees and charges, as

required, at the time of making Planning Act applications and Building Permit applications, unless otherwise specified under the programs, or otherwise exempt through other City programs.

Grants may be awarded for a lesser amount than what was applied for based on merit or limited funding. If an application is approved under any of the programs, the timing of the grant payments for each program shall generally be as follows:

Tax Increment Equivalent Grant

The Tax Increment Equivalent Grant shall be paid annually through the incremental taxes upon Municipal Property Assessment Corporation (MPAC) re-assessment of the property after development or redevelopment has occurred, for a maximum of ten years. The owner will be required to contact the City following the issuance of a Property Assessment Change Notice from MPAC following development/redevelopment. The total payment shall not exceed the cost of redevelopment. The annual grant will be equal to a percentage of the tax increment paid for the City's portion on the property taxes, in decreasing percentages of the increment as follows:

- I. Year 1 – 100% of tax increment (pro-rated)
- II. Year 2 – 90% of tax increment
- III. Year 3 – 80% of tax increment
- IV. Year 4 – 70% of tax increment
- V. Year 5 – 60% of tax increment
- VI. Year 6 – 50% of tax increment
- VII. Year 7 – 40% of tax increment
- VIII. Year 8 - 30% of tax increment
- IX. Year 9 - 20% of tax increment
- X. Year 10 – 10% of tax increment

Where properties that are not subject to taxes are redeveloped, the base tax shall be based on the tax that would be applied to the land and buildings based on the current use (for example, a municipal property or a church converted to a residential use shall not have a zero-base tax from which to calculate the tax increment). Properties that remain exempt from taxes after redevelopment do not qualify for the grant (i.e., they cannot be given a grant for taxes not paid)