

County of Essex Large Scale Industrial Grant Matching Program

October 20, 2025



Purpose of the Initiative

- The Large Scale Industrial Grant Matching Program (“LSI-GMP”) is the upper-tier framework intended to provide additional financial incentives to assist with regional and local economic development initiatives targeted at attracting new large scale industrial developments in Essex County.
- Industry plays a major role in driving the economy of Essex County and industrial land uses are a key contributor to the future of economic development, workforce retention, economic sustainability and prosperity throughout the County.
- The County encourages and supports the seven local municipalities in preparing Industrial/Economic Development Focused Community Improvement Plans.
- This program is the first of its kind offered by the County. It works in collaboration with local municipalities, providing matching grant funds for their approved Industrial Community Improvement Plans (CIPs).



Purpose of the Initiative continued....

- This LSI-GMP aims to work in collaboration with the forthcoming Regional Employment Land Strategy as an important tool to further large scale industrial development and help the County achieve the economic development goals of the County's Strategic Plan.
- Due to the two-tier municipal structure in Essex County, local municipalities are only able to provide tax increment rebates for their portion of the property tax and the County and Education portions still require full collection.
- The proportions of municipal tax rebates by the seven local municipalities ranges, however results in a potential rebate around 50% of the municipal levy of the total tax bill with the remainder attributable to the County and Education levy.
- Administration will report to County Council annually on the success and utilization of the program.

Strategic Priorities of the Program

Priority #1: Improve the County's Economic Climate

- encourage long-term investment that improves the economic climate of the County and increase the County's importance as a destination for industry;
- Support investment and development that results in an increase in property assessment and grows the non-residential municipal tax based over the long-term;

Priority #2: Diversify the Economy

- Support investments in targeted high potential economic sectors that contribute to the diversification of the local economy;

Priority #3: Use Land Strategically

- Use existing services and infrastructure most effectively;
- Encouraging investment that results in productive use of lands and/or buildings based full municipal servicing and the integration of all transportation opportunities;

Priority #4: Take Advantage of Cluster-related Synergies

- Support the establishment and on-going development of targeted sector clusters and encourage businesses to take advantage of cluster-related synergies;
- Support synergies with existing and growing industries by attracting investment based on each community's strengths and competitive advantages;

Priority #5: Balance Incentives with Expectations

- Provide financial incentive programs that are attractive to potential investors and corporate decision-makers, but are balanced with expectations of County taxpayers and the County's ability to fund financial incentive programs;

Priority #6: Target Significant Job Creation

- Encourage capital investments that create new and/or maintain existing permanent jobs, as well as short-term construction jobs that contribute to the reduction of the unemployment rate;

Priority #7: Alignment with Other Levels of Government

- Aligns with Provincial and Federal industrial development incentive initiatives.

Legislative Authority

The **Legislative Authority** section outlines the legal framework enabling municipalities to implement Community Improvement Plans (CIPs) and financial incentives for industrial development.

Municipal Act, 2001:

- Prohibits municipalities from providing direct or indirect bonuses to businesses (e.g., loans, property discounts, tax exemptions).
- Exceptions to the "bonusing rule" are allowed under Section 28 of the Planning Act and Section 365.1 of the Municipal Act, enabling municipalities to create CIPs for economic development and environmental remediation.

Planning Act:

- Section 28 allows municipalities with provisions in their Official Plans to designate "community improvement project areas" and adopt CIPs.
- CIPs enable municipalities to acquire, improve, and dispose of land, as well as provide grants or loans for eligible projects.
- Some upper-tier municipalities can participate in lower-tier CIPs if prescribed by regulation (O. Reg. 221/07). Essex County is not currently prescribed.
- The Planning Act allows the County to participate in matching grants of those offered by lower-tier CIPs as the County OP policies are in place providing this direction.

Legislative Authority continued....

Provincial Planning Statement, 2024:

- Provides policy direction for land use planning and development, emphasizing economic development, competitiveness, and employment area preservation.

Development Charges Act, 1997:

- Allows municipalities to exempt or reduce development charges for certain types of projects to promote community improvement.
- Development charge reductions can be offered through a CIP, providing flexibility compared to prescriptive development charge by-laws.



Summary of The Incentive Program

Tax Increment Equivalent Rebate Program

- The primary incentive offered by this program is an incremental tax rebate program.
- The Tax Increment Equivalent Rebate Program is intended to encourage the development and redevelopment of eligible properties through the provision of a rebate up to the difference between the original and new property tax after improvements.
- This financial incentive reduces the property tax increase that can result from these various types of development. The incentive may also assist development proponents in securing project financing.
- Local municipalities will be responsible for ensuring that properties receiving the tax grant back incentive are eligible in accordance with the requirements of the Local CIP.
- Further, where a local municipality approves a grant under this program, the municipality will be responsible for notifying the County accordingly. Where the local municipality proposes to seek the matching County CIP-LIS grant, the local municipality will consult with the County Administration prior to advancing the local CIP approval, such that the County can confirm County CIP-LIS support for the County's portion of the grant.
- County Planning will coordinate the review of the request with County departments and respond to the grant request prior to finalizing approvals locally.

Program Requirements and Restrictions

- This financial incentive program will provide an annual tax increment rebate up to 50% of the increase in the municipal portion of property taxes generated through the completion of an eligible project, which has resulted in an increase of the assessment value and, therefore, an increase in property taxes paid.
- The approved tax increment rebate amount would be disbursed by the County on an annual basis, determined at the time municipal taxes are collected, for up to 10 years.
- The length of time that the rebate will be disbursed will be determined based on the scoring against the above program goals and strategic priorities.
- This program applies only to those lands that are located entirely within the County of Essex with the appropriate designation and zoning confirmed and also subject to a Local Industrial CIP.
- Improvements to buildings and/or land made under this program shall be undertaken pursuant to all applicable legislation. Prior to advancing the County's grant approval, local decisions on required planning approvals must be finalized.

Other Incentives

Planning Act and Permit Fee Rebate Program

- For industrial projects that meet eligibility criteria, exemptions will also be offered to any County *Planning Act* approval application fees along with County Road permit fees.
- County Planning Administration will work with applicants (through local municipalities) at the time of LSI-GMP application review to determine if any of the above application or permit fees are applicable and will advance a process to propose the waiving of fees to the County's User Fee By-law as part of the overall project application information to County Council.

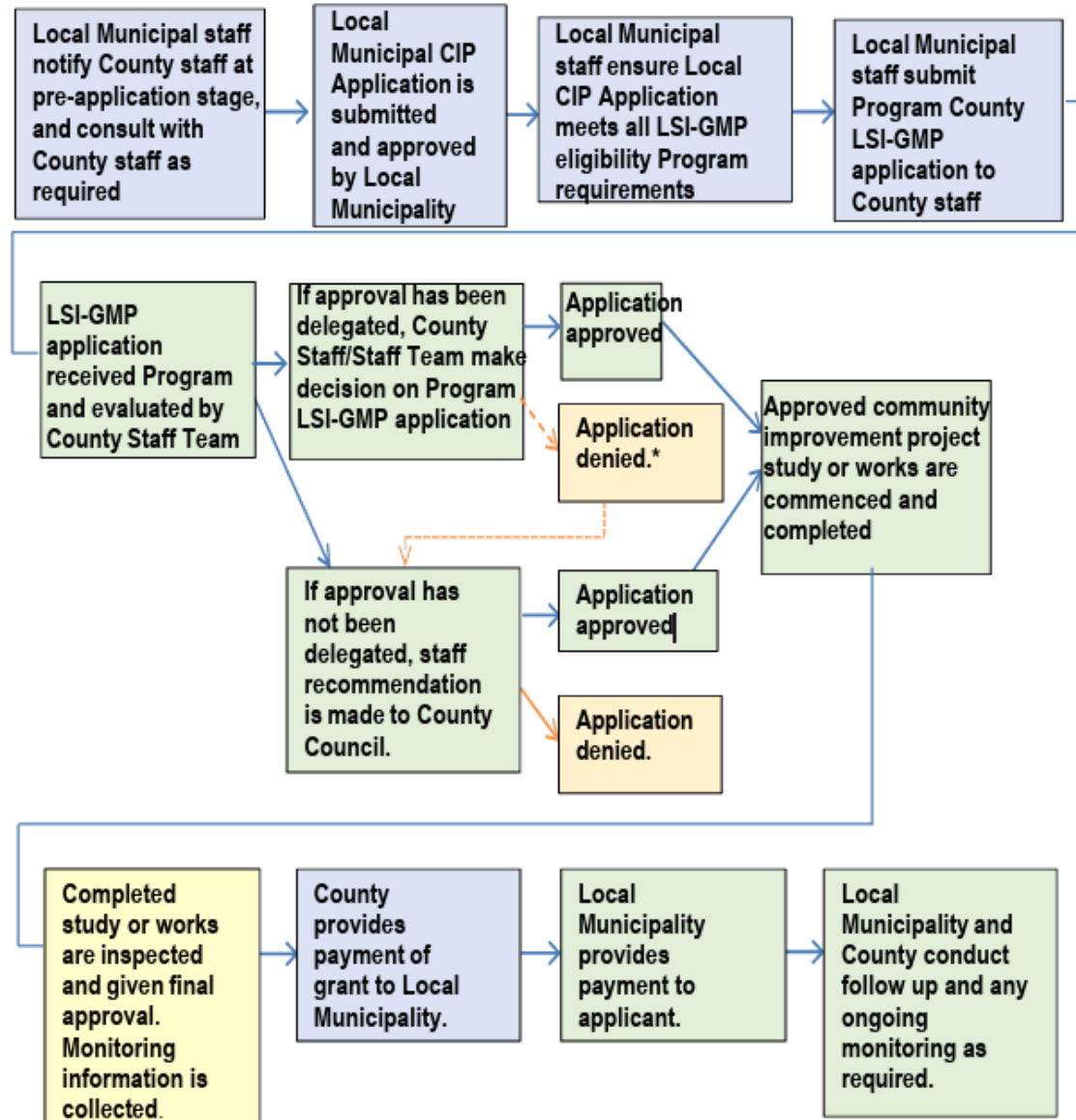
Eligibility

For a project to be deemed eligible for any of the incentives outlined in the County LSI-GMP, it must meet all of the following criteria:

- Be located within the Project Area (Settlement Area);
- Be designated and zoned for the proposed use;
- Be consistent with the goals and strategic priorities detailed in the program;
- Adhere with the general and/or specific requirements for the financial incentive program listed below.
- Properties are eligible if they meet at least one (1) of the numbered criteria below:
- Would be assessed using MPAC's "Automotive Assembly Plants" or "Automotive Parts Manufacturing Plants" assessment methodology, and has a minimum of approximately 1,500,000 square feet of total floor area; OR,
- Would be assessed using another MPAC Large and Special Purpose Assessment methodology other than the two named in (1) above, and has a minimum of 1,000,000 square feet of total floor area; OR,
- Would be a targeted economic sector development included in MPAC's Large and Special Purpose Property Assessment or another tool, pre-approved by the Local Municipality and the County.
- Would be an industrial use of 125,000 square feet of total floor area minimum as a new build or an expansion to an existing building defined as Industrial in the local Zoning By-law with a minimum employee density of 30 full-time equivalent employees per net acre.

If the above criteria can be demonstrated, a project will be eligible to participate in the LSI-GMP. Any requests for approval of a project that do not adhere to the eligibility criteria provided above, would be at the sole discretion of County Council. All project requests will be assessed for their potential impact on the regional economy including considerations for significant job creation.

Administration Process Summary



Next Steps

- All comments received in response to the document posted on the County's website and this open house will be considered as part of the final review of the LSI-GMP document.
- The final LSI-GMP will be presented to County Council prior to the end of 2025 for approval.
- The interest in this program will be monitored with annual reports presented to County Council. Based on the interest and utilization this program in meeting strategic planning goals and objectives, adjustments will be considered over time.
- This program will be marketed through local and Provincial economic forums to encourage awareness and uptake.