

Policy Title: <i>COMMERCIAL DEVELOPMENT INCENTIVE POLICY</i>		Policy # 2017-005
Adopted by Council: 28 March, 2017		Modified by Resolution # 2017-125
Department Responsible: Council & Administration		Replaces #2015-293 # 2014-215 # 2012-005 # 2012-249 # 2011-005
Purpose:	The purpose of this policy is (a) to stimulate commercial expansion and new commercial development within the Town of Thorsby; and (b) to increase the long term commercial assessment in Thorsby.	
Policy Statement:	The Council of the Town of Thorsby wishes to provide commercial development incentives (a) to attract new business, industry, and commercial enterprises to establish in this community; and (b) to encourage existing businesses to expand their operations.	
Definitions:	<u>Commercial Development Incentive</u> That portion of the municipal property taxes on a commercial property that may be forgiven in a given fiscal year.	
Guidelines:	Without, limiting Council's discretion with respect to the reduction or other changes to taxes pursuant to section 347 of the Municipal Government Act, Council wishes to advise it is generally receptive to granting the following incentives: <u>1. New Business Construction</u> The Town of Thorsby encourages property owners to apply for a five year development incentive for new business construction generally as follows: First Year: 100% reduction in municipal property taxes Second Year: 100% reduction in municipal property taxes Third Year: 50% reduction in municipal property taxes Fourth Year: 50% reduction in municipal property taxes Fifth Year: 25% reduction in municipal property taxes * The first year is the year in which construction of the new business is commenced. *The business owner must own the land being developed.	

* Tax relief applies only to the municipal portion of property taxes (and not the education portion).

2. New Business Established in an Existing Building

The Town of Thorsby also encourages property owners to apply for a three year development incentive for the new Business owner, generally as follows:

First Year:	50% reduction in municipal property taxes
Second and Third Year:	25% reduction in municipal property taxes

* The business owner must own the land and buildings.

* Tax relief applies only to the municipal portion of property taxes (and not the education portion).

3. Business Expansion Incentive

The Town of Thorsby also encourages property owners to apply for a three year development incentive for new construction, approved by the Town, of an existing business which increases the physical space of the commercial improvements. The incentive includes addition to an existing commercial building or the replacement of an existing commercial building, and will generally be as follows:

First to Third Year Inclusive: 50% reduction to any incremental increase to municipal property taxes resulting from the construction of the addition, expansion or replacement.

*The first year is the year following completion of construction.

* Tax relief applies only to the municipal portion of property taxes (and not the education portion)

4. Business Renovation Incentive

Any owner of commercial property, or renter carrying out renovations with the written approval of the property owner, may apply for a business renovation incentive.

The Town of Thorsby will consider a rebate to a business completing a minimum of \$5,000.00 in external renovations of their commercial improvements. The rebate will generally be based on the cost of the renovations calculated at a rate of 10% of the costs to a maximum rebate of \$1,000.00. A written explanation and pictures of the renovations before and after must be submitted with copies of paid invoices upon application for the renovation rebate.

Any rebate approved will be applied against the municipal tax levy in the year

	<p>following the completion of the renovations. If the application of the rebate results in a credit on the property tax account, no taxes will be owing and the credit is non-refundable. Council will generally consider an application for a business renovation incentive once every five years.</p> <p><u>5. Conditions for Commercial Development Incentives</u> Council will generally consider the following factors in assessing an application for an incentive under this Policy:</p> <p>*Commercial development incentives granted shall be conditional to that business being in active operation.</p> <p>*If at any time the taxes are in arrears on the affected property, all further incentives will be withdrawn and full taxes become payable for the project.</p> <p>*Council reserves the right to approve each commercial development incentive package individually and customize incentives to any specific project, particularly in circumstances when investment dollars of the commercial improvements exceed \$100,000.00.</p> <p>*Each commercial property receiving an incentive is required to submit an annual report to Council confirming that the terms of the incentive are being met.</p> <p>* Existing owners of vacant land seeking to take advantage of this policy should apply for and start construction before December 2017.</p>
<p>Important Notes:</p>	<ul style="list-style-type: none"> • This policy shall be reviewed by Council in December 2017 and could possibly be modified or cancelled as per future Council discretion. • Council reserves the right to cancel the policy at any time • Council makes no guarantee that any incentives offered will be given for subsequent years after initial approval • Incentives will only apply to the municipal portion of property taxes. • Nothing in this policy shall bind Council to offering the incentive to any particular applicant, nor shall it limit Council's discretion to make any other reduction, refund or deferral of tax permitted under the <i>Municipal Government Act</i>.