



AGENDA
TOWN OF PINCHER CREEK
COMMITTEE OF THE WHOLE MEETING
Wednesday, February 23, 2022 AT 9:30 A.M.
[Virtual via Zoom](#)

1. **Call to Order**
2. **Agenda Approval**
3. **Business Arising from the Minutes**
 - a. Property Tax Incentive Bylaw Review
 - i. Council Philosophy
 - ii. Review of Attachments
4. **Adjournment**

TOWN OF PINCHER CREEK IN THE PROVINCE OF ALBERTA

Bylaw No. 1629-21

A BYLAW OF THE TOWN OF PINCHER CREEK IN THE PROVINCE OF ALBERTA, TO ESTABLISH TAX INCENTIVES FOR BUSINESS DEVELOPMENT

WHEREAS the Town of Pincher Creek acknowledges the importance of business development in the Town for the general benefit of the Town, including goods, services, employment and taxes;

AND WHEREAS the Town wishes to support the growth of already existing businesses and also attract more businesses to support the growth and prosperity of the Town;

AND WHEREAS pursuant to Section 364.2 of the *Municipal Government Act*, RSA 2000, c M-26, Council may pass a tax incentives bylaw to encourage development and revitalization of non-residential properties for the general benefit of the Town;

AND WHEREAS the Town of Pincher Creek is responsible for carrying out measures that will develop and maintain a viable community pursuant to Section 3(c) of the *Municipal Government Act*, which includes measures to improve the long-term economic outlook for the Town;

NOW THEREFORE, the Council of the Town of Pincher Creek, in the Province of Alberta, duly assembled, enacts as follows:

1. Short Title

1.1 This Bylaw may be referred to as the "Tax Incentives Bylaw".

2. Definitions

2.1 In this Bylaw, unless the context otherwise requires:

- a) "Act" means the *Municipal Government Act*, RSA 2000, c M-26, as amended from time to time;
- b) "Administration" means the administrative and operational arm of the Town comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO;
- c) "Applicant" means a person who applies for an Exemption;
- d) "Assessed Person" means an assessed person as that term is defined under Section 284(1) of the Act;
- e) "Business" means commerce for purposes of the production, storage, buying or selling of goods and services;
- f) "Chief Administrative Officer" or "CAO" means the chief administrative officer as appointed by Council, including the CAO's delegate;

- h) "Complete Application" means an application submitted pursuant to this Tax Incentives Bylaw that includes the Application Fee (if any) and the application requirements for non-residential tax incentives and the application form for non-residential tax incentives as set out in Appendices "A" and "B"
- i) "Council" means all the Councillors of the Town including the Chief Elected Official for the Town;
- g) "Exemption" means an exemption from taxation for Non-residential Property as provided for in Part 10, Division 2 of the Act. For purposes of clarity, the exemption from taxation applies only to taxes imposed by the Town under Part 10, Division 2 of the Act and not any Provincial requisitions;
- h) "Expansion" means development that adds to an existing Structure to increase the Structure's physical space for purposes of facilitating the Business within that Structure, or to replace an existing Structure for purposes of facilitating the Business within that Structure;
- i) "New Construction" means the construction of a new Structure for the purpose of establishing a Business within that Structure;
- j) "Non-residential Property" means non-residential as defined in the Act in respect of property;
- k) "Qualifying Property" means a Structure that is the subject of the New Construction or an Expansion;
- l) "Structure" means a structure as that term is defined in s 284(1)(u) of the Act that is Non-residential Property;
- m) "Tax Incentive Agreement" means a written agreement setting out the terms and conditions for an Exemption for the Qualifying Property; and
- n) "Town" means the Town of Pincher Creek in the Province of Alberta.

3. Purpose

- 3.1 The purpose of this Tax Incentives Bylaw is to allow tax incentives for Exemptions from taxation under Part 10, Division 2 of the Act for Qualifying Properties in the Town that meet the requirements of this Tax Incentives Bylaw.
- 3.2 Tax incentives under this Tax Incentives Bylaw will not be granted in respect of the land portion of Non-residential property taxes imposed on land under Part 10, Division 2 of the Act.

4. Criteria for an Exemption

- 4.1 In order to apply for an Exemption from the Town portion of the property tax (not including land portion), an Applicant must meet the following criteria:
 - 4.1.1 the Applicant must be the Assessed Person for the Qualifying Property that is the subject of the application;
 - 4.1.2 the applicant may apply for an exemption for structural improvements to a property made by a tenant of the property;

4.1.3 the Applicant must have no outstanding monies owing to the Town.

4.2 In order to qualify for an Exemption, the Qualifying Property must meet the following criteria:

4.2.1 the Qualifying Property must be located within the geographical boundaries of the Town;

4.2.2 the development of the Qualifying Property must qualify as New Construction or an Expansion;

4.2.3 All required Town development approvals with respect to the development of the Qualifying Property must have been issued;

4.2.4 Eligibility for a Tax Incentive pursuant to this Bylaw requires the following criteria:

4.2.4.1 Notarized statement from a third-party construction firm indicating that the costs presented by the applicant are true, and that all costs submitted are those only for constructing or expanding the structure of the building.

4.2.4.2 In the case where a property owner elects to use his/her own labour, then a letter from a third-party accounting firm is required verifying the costs submitted and ensuring that all costs are true, and those that are submitted are only those for constructing or expanding the building.

4.2.4.3 A building/ development permit has been obtained and executed by the Town of Pincher Creek.

4.2.4.4 All construction inspections are completed and a permit for occupancy has been granted by the Town.

4.2.4.5 A minimum of \$5,000 invested in new construction or expansion

4.2.5 The Applicant must submit a Complete Application in accordance with the terms of this Bylaw.

4.2.6 With respect to a Qualifying Property, only one agreement with a three- year period is allowed.

5. Application for an Exemption

5.1 Applicants must submit a Complete Application to the CAO. The CAO shall respond to the application within 30 working days from the time of submission.

5.2 Applications may be submitted at any time and, if approved, the tax exemption applies for 36 months from the date the structure is approved for occupancy. If the date of approval should fall outside the Town tax fiscal year then the exemption will be adjusted to apply for 36 contiguous months and the first month shall be the first month of the next Town tax fiscal year.

5.3 Complete Applications may be considered and approved in accordance with the requirements of this Tax Incentives Bylaw before construction on the Qualifying Property is complete, however, the Exemption will not apply until all construction on the Qualifying Property is complete and the development is inspected and approved for occupancy.

5.4 Notwithstanding the Complete Application requirements set out in this Bylaw, the CAO may require any additional information that, in the discretion of the CAO, is necessary to complete the application.

- 5.5 The CAO will advise Applicants in writing if their application is accepted for consideration. Applications accepted for consideration shall become the property of the Town and may not be returned.
- 5.6 The CAO has the discretion to reject applications that are incomplete and will provide a written description of the reasons for rejection within 30 business days of the application.
- 5.7 Applicants whose applications are returned as incomplete may resubmit an application at any time.
- 5.8 The CAO will advise Applicants within 30 business days in writing with reasons if their application is rejected.

6. Consideration of Applications

- 6.1 Administration shall review the Complete Application to determine if it meets the criteria and requirements for an Exemption and provide a written report with recommendations to Council within 30 business days of the application.
- 6.2 Council shall review the Complete Application and Administration's report and may:
 - 6.2.1 pass a resolution directing Administration to enter into a Tax Incentive Agreement; or
 - 6.2.2 pass a resolution refusing the Complete Application.
- 6.3 A resolution directing Administration to enter into a Tax Incentive Agreement must include:
 - 6.3.1 the 36 months to which the Exemption applies; and
 - 6.3.2 the dollar value of the Exemption for the Qualifying Property for each of the fiscal tax years affected whether based upon the costs of New Construction or the costs of an Expansion.
 - 6.3.3 In the first 36 months identified in the Tax Incentive Agreement, the Qualifying Property shall receive a 100% Exemption on the mill rate imposed by the Town for the Town's portion of the property tax for the qualifying amount.
 - 6.3.4 Notwithstanding that the exemption may be granted during a municipal tax fiscal year, the 36 months of exemption from the municipal portion of the tax shall commence in the first month of the next Town tax fiscal year.
- 6.4 Administration shall provide written notice of a refusal by Council to an Applicant within 14 business days which must include the resolution passed under section 6.2.2.

7. Tax Incentive Agreement

- 7.1 Where Council has passed a resolution approving an Exemption, Administration shall draft a Tax Incentive Agreement in accordance with the resolution of Council.
- 7.2 A Tax Incentive Agreement must outline:
 - 7.2.1 the taxation years to which the Exemption applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted;

- 7.2.2 the extent of the Exemption for each taxation year to which the Exemption applies;
 - 7.2.3 a deadline for submission of proof that the Qualifying Property has been approved for occupancy;
 - 7.2.4 any criteria in Section 4 which formed the basis of granting the Exemption and the taxation year or years to which the criteria applies all of which are deemed to be a condition or conditions of the Tax Incentive Agreement the breach of which will result in the cancellation of the Exemption for the taxation year or years to which the criteria applies;
- 7.5 In the event of a cancellation pursuant to section 8.1 of this Bylaw, any monies owed to the Town shall be immediately paid by the Applicant; and
- 7.6 any other conditions Administration deems necessary and the taxation year(s) to which the condition applies.
- 7.7 Tax Incentive Agreements shall be executed by the chief elected official (or their delegate) and the CAO within 30 business days of approval of the Exemption by Council.
- 7.8 A Tax Incentive Agreement shall be honored notwithstanding this bylaw being amended or repealed subsequent to entering into such agreement.
- 7.9 Notwithstanding that the market value of a property could increase, decrease or remain the same, no applicant will be allowed to use the municipal incentive tax rebate to reduce the tax bill to below zero. Any calculated negative amounts will not be carried forward.

8. Cancellation of Tax Incentive Agreements

- 8.1 If at any time after an Exemption is granted, Administration determines that the Applicant or their application:
- 8.1.1. did not meet, or ceased to meet, any of the material applicable criteria in Section 4 which formed the basis of granting the Exemption;
 - 8.1.2. Tax arrears are owing with respect to the Qualifying Property; or
 - 8.1.3. that there was a breach of any material condition of the Tax Incentive Agreement; then
- Administration shall make a recommendation to Council and Council may, by resolution, cancel the Exemption for the taxation year or years in which the criterion was not met or to which the condition applies.
- 8.2 A resolution passed by Council pursuant to section 8.1 must include reasons and identify the taxation year or years to which the cancellation applies.
- 8.3 Administration shall provide written notice of a cancellation to an Applicant which must include the resolution passed under section 8.1.

9. Review of Decision

- 9.1 Where an application has been rejected by Administration on the basis that it is incomplete, Applicants may resubmit to Administration a revised application at any time;
- 9.2 Applicants may apply to Council within 30 business days of receiving a Tax Incentive Agreement to review the Tax Incentive Agreement on the limited issue of whether the Tax Incentive Agreement follows the direction of Council. Council may revise the Tax Incentive Agreement or provide direction to Administration to revise the Tax Incentive Agreement in accordance with Council's initial resolution.
- 9.3 Applicants may apply to Council within 30 business days of receiving a notice of cancellation to review the cancellation and Council may uphold or revoke the cancellation.
- 9.4 Applications for judicial review of a decision pursuant to this Tax Incentives Bylaw must be filed with the Court of Queen's Bench and served not more than sixty (60) days after the date the decisions is received by the Applicant.

10. Review of Bylaw

- 10.1 This bylaw shall be reviewed by Council in a public Council meeting at least every second year from the date of passing of the bylaw for the purpose of assessing whether to amend or repeal the bylaw.

11. Severability

- 11.1 If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed, and the remainder of this Bylaw is deemed valid.

12. Effective Date

- 12.1 This Bylaw shall come into force and take effect when it is approved after third reading.

READ a First time this 22nd day of February, 2021.

READ a Second time this _____ day of _____, 2021.

READ a Third time this _____ day of _____, 2021.

SIGNED AND PASSED this _____ day of _____, 2021.

Don Anderberg, MAYOR

Laurie Wilgosh, CHIEF ADMINISTRATIVE OFFICER

Appendix "A"

Application Requirements for Business Investment Incentive Bylaw No. 1629-21

1. All applications for an Exemption under to the Tax Incentives Bylaw must include the following information:
 - a) a signed and dated application form:
 - b) if the Applicant is not an individual, an agent authorization form or directors' resolution:
 - c) if the Applicant is a corporation, a corporate registry record of the Applicant dated within 60 days of the date of the application:
 - d) a land titles certificate for the lands on which the Qualifying Property is located dated within 60 days of the date of the application:
 - e) copies of all building/development permits issued with respect to the development of the Qualifying Property:
 - f) a description of the Business conducted or to be conducted in the Qualifying Property:
 - g) an indication of whether the development is New Construction or an Expansion:
 - h) an estimate of when the Qualifying Property will be approved for occupancy after completion of the New Construction or Expansion:
 - i) an explanation of how the application meets the criteria for an Exemption; and
 - j) With regards to Expansions the following additional information:
 - i. photographs of the Qualifying Property before the Expansion; and
 - ii. a notarized statement from a third-party construction firm indicating that the costs presented by the applicant are true, and that all costs submitted are those only for constructing or expanding the structure of the building
 - iii. a financial summary and copies of receipts or paid invoices in relation to the development showing the location of the Expansion.
2. Applicants may provide any other material, including additional print, visual or audio- visual material, which the Applicant believes will support their application.

NOTE: Applications and all material provided will be included in reports to Council and the Council agenda packages that are available to the public.

All Qualifying Properties will be subject to inspection by Town staff to ensure the validity of the application.

Appendix "B"
Application Form for Business Investment Incentive
Pursuant to the Tax Incentives Bylaw No. 1629-21

Business Information

Business Name: _____

Registered Corporate name, if different: _____

Legal Address of Assessed Property: _____

Mailing Address of Assessed Property: _____

Personal Information

Name of applicant or agent: _____

Mailing Address for applicant or agent: _____

Email Address for applicant or agent: _____

Telephone number for applicant or agent: _____

Personal information required by Town of Pincher Creek application forms is collected under authority of sections 33(a) and (c) of the Alberta Freedom of Information and Protection of Privacy (FOIP) Act. Your personal information will be used to process your application(s). Please be advised that your name, address and details related to your application may be included on reports that are available to the public as required or allowed by legislation. If you have any questions, please contact the Town's FOIP Head at 403-627-3156 or email reception@pinchercreek.ca

Provide, or append, a brief description of the Business:

The Applicant is applying for a three-year (36 month) tax incentive for : (choose applicable)

- ☐ New Construction
- ☐ Expansion
- ☐ Improvements (façade)

Describe, or append, an explanation of why you are seeking an Exemption and how you meet the criteria for one of the tax incentive programs listed above:

What date is the subject property expected to be approved for occupancy :

Indicate if the application includes the following:

- | | |
|---|---|
| <input type="checkbox"/> Building/Development Permits (required) | <input type="checkbox"/> Land Titles Certificate (required) |
| <input type="checkbox"/> Tax Assessment Notices (required) | <input type="checkbox"/> Notarized cost statement |
| <input type="checkbox"/> Agent Authorization Form/Directors' Resolution (if applicable) | <input type="checkbox"/> Photos (if applicable) |
| <input type="checkbox"/> Financial Summary and Receipts/Invoices (if applicable) | <input type="checkbox"/> Other materials (optional) |
| <input type="checkbox"/> Corporate Registry Record (if applicable) | |

Date of the Application

Signature of Applicant (or Applicant's Agent)

Print Name of Applicant (or Applicant's Agent)

FOR OFFICE USE ONLY

DATE APPLICATION WAS RECEIVED

NAME OF RECIPIENT

Non- Residential Property Tax Incentive Bylaw

Background:

In 2019 the MGA was changed to *“help municipalities attract investment and development by giving them the power to offer stronger property tax incentives to business and industry”*

Key changes:

The Municipal Government (Property Tax Incentives) Amendment Act:

- allows municipalities to decide if, and how, to implement the tax incentives by passing a single bylaw that will:
- offer incentives to reduce, exempt or defer the collection of property taxes for non-residential properties for up to 15 years, with the option for renewal
- establish an eligibility criteria and application process to streamline tax incentive offers, instead of requiring a separate council resolution or bylaw for each property

These changes make Alberta a highly attractive destination for investment by providing one of the longest municipal tax incentive timelines in North America:

- Saskatchewan allows property tax incentives for up to 5 years
- B.C. allows them for up to 10 years
- Louisiana offers 5-year incentives with an option to renew for an additional 5 years
- Texas offers local tax incentives for up to 10 years

In 2020 a Town of Pincher Creek Councillor brought forward the idea of penalizing vacant property owners as the Town of Nanton was bring forward. “Nanton Town council approved Nov. 2 a 10 per cent tax break for small businesses next year while doubling the tax rate owners of vacant commercial buildings will pay.” [Nanton news.](#)

Marie suggested that an incentive was considered and to approach vacant properties with a carrot vs stick approach first. Marie was aware at this time that as part of the Community Economic Development Strategy (CEDS) that an incentive bylaw would most likely be a recommendation.

After consultation with InnoVisions and Associates and speaking the CAO at the Town of Fort Macloed a bylaw was drafted using the Town of Fort MacLeod’s bylaw as a foundation. (with their permission)

Differences from Fort Macleod to Pincher Creek:

- bylaw has been tidied up to be more business friendly
- application fee removed
- applications can be accepted at any time and then if approved applied to the next tax year
- minimum investment changed to \$5000

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- calculation based on investment dollars/construction costs into fixed assets, not the assessment value
- Year 1 through 3 – 100% exemption instead of 100/75/50 (to reduce administration time and calculations)

Council/Committee Motions:

January 6, 2021 - That Committee of the Whole for the Town of Pincher Creek direct administration to prepare and draft a tax incentive bylaw for non-residential properties for Council consideration.

February 22, 2021 -That Council for the Town of Pincher Creek give Bylaw No. 1629-21 first reading and direct administration to garner internal referral comments.

At the October 12, 2021 -That Council for the Town of Pincher Creek repeal resolution # 21-064 approving first reading for the Tax Incentive Bylaw # 1629-21 and to direct administration to bring back the bylaw for Council's consideration within a three-month period.

December 13, 2021 - That Council for the Town of Pincher Creek direct administration to bring the proposed Tax Incentive Bylaw No 1629-21 to the Committee of the Whole for their review and recommendations.

January 5, 2022 - That Committee of the Whole for the Town of Pincher Creek direct administration to amend the proposed Tax Incentive Bylaw No 1629-21 and bring back the bylaw at special meeting.

Main St. Vacancies:

We have space to fill- over 65 000 sq ft on Main St., incentives may help properties owners invest in their spaces and may help to fill these spaces.

Main Street Vacancies			
Address	Local Reference	Sq. ft. vacant	Vacant, serviced land- sq. ft.
988 Main	The Swiss	2300	
819 Main	Sobey's Building	19311	
813 Main	Home Hardware	7000	
769 Main	old ATB	5200	
729 Main	King Eddie		13056
750 Main	Above Pincher office	2900	
670 Main	Saan Store	14554	

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659 Main	OLD RCMP Building	8894	13068
696 Main Street	next to theatre		5446
651 Main Street	next to old rcmp		4348
655 Main Sreet	next to old rcmp		13056

Downtown core	Local Reference	Sq. ft. vacant	Vacant, serviced land- sq. ft.
991 St. John Ave	Drycleaners	1426	
1034 Bev McLachlin Dr	The Nest	1000	
1035 Hewetson Ave	Creekside Office	1100	
753 Kettles	office space in Annex	800	

Quick look at potential steps:

Steps for the property owner:

- 1) A minimum of \$5000 in construction costs is spent, with all appropriate approvals obtained.
- 2) A permit for occupancy has been obtained.
- 3) The applicant obtains the application forms for the incentive
- 4) The assessed person completes an application and includes all information is schedule A & B
- 5) Submit a completed application to the Town of Pincher Creek
- 6) A response in writing will be advised in 30 days

Step by step for administration (high level) DRAFT process:

- 1) Application received
- 2) Review to ensure that all paperwork is included
 - a. Walk through property to verify work has been done (?)
- 3) Recommendation to Council for review at a regular council meeting
- 4) Letter sent to business of approval or denial
- 5) Incentive applied to the next three property tax notices (same amount for 3 years)

The Incentive Program for Business- FAQ

Q What will incentives cost the town?

The only direct cost is the administration of the program which is estimated to be x hours of staff time with no incremental budget implications. The indirect cost to the town is forgoing a portion of property tax on new development that we would likely not get in Pincher Creek if we don't offer an incentive. Even for those businesses that choose to improve their property and

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use the incentive the Town wins long term as the market value and hence the ultimate tax rate on the property goes up.

Here are two different scenarios:

Example One – An existing business improvement to premises of \$100,000 (note that the land portion of the tax does not change)

Total dollars invested		\$	100,000			
Municipal Mil Rate			1.24%			
	Year	Value	Muni Tax	Rebate	Net Tax	Cash Flow
		0%				
	1	\$ 100,000	\$ 1,239	100%	\$ -	\$ (1,239)
	2	\$ 100,000	\$ 1,239	100%	\$ -	\$ (1,239)
	3	\$ 100,000	\$ 1,239	100%	\$ -	\$ (1,239)
	4	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	5	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	6	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	7	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	8	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	9	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	10	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	11	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	12	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	13	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	14	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	15	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	16	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	17	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	18	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	19	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
	20	\$ 100,000	\$ 1,239	0%	\$ 1,239	\$ 1,239
				PV	0%	\$17,344
				Internal Rate of Return (IRR)		26%
			Owner Gross Savings	\$	3,716	
			App Fee	\$	(100)	
			Legal Fees	\$	(500)	
			Other	\$	(500)	
			Owner Gross Savings	\$	2,616	

*Note we give up \$3716 but we get \$17,344 more than we would have with no incentive.

Example Two – A new business development of \$1million investment on the building itself (the incentive does not allow the land portion to be calculated)

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Total dollars invested		\$ 1,000,000			
Municipal Mil Rate		1.24%			
	<u>Year</u>	<u>Value</u>	<u>Muni Tax</u>	<u>Rebate</u>	<u>Net Tax</u>
		0%			<u>Cash Flow</u>
	1	\$ 1,000,000	\$ 12,388	100%	\$ -
	2	\$ 1,000,000	\$ 12,388	100%	\$ -
	3	\$ 1,000,000	\$ 12,388	100%	\$ -
	4	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	5	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	6	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	7	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	8	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	9	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	10	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	11	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	12	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	13	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	14	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	15	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	16	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	17	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	18	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	19	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
	20	\$ 1,000,000	\$ 12,388	0%	\$ 12,388
				PV	0%
					\$173,436
				Internal Rate of Return (IRR)	26%
				Owner Gross Savings	\$ 37,165
				App Fee	\$ (100)
				Legal Fees	\$ (500)
				Other	\$ (500)
				Owner Gross Savings	\$ 36,065

*Note We give up \$37, 165 but we get \$173,436 that we would not have had otherwise.

Q. Are other communities having success with an incentive plan?

Yes, The question should really be what will it cost the Town if nothing is done in the way of incentives. Towns in Alberta are using incentives with great success and site selectors are passing us by in favour of the towns with which we compete.

Here are some examples from Mayerthorpe:

Mayerthorpe – Town of 1350- 100 businesses.

Development Tax Incentive - PURPOSE: To establish a rebate structure for municipal tax incentives to encourage new housing, commercial and industrial development stimulating the economy in the Town of Mayerthorpe. POLICY STATEMENT: To provide municipal tax incentives to support Council's strategic plan by fostering and encouraging new housing, investment, and business start-up in the Town of

Mayerthorpe. <https://www.mayerthorpe.ca/public/download/files/128385>.

Outcome = 8 new businesses/expansion sin 2021. Three, of which employ 23 new employees.

Subdivision Tax Refund - PURPOSE: To encourage creation of new lots within the corporate limits of the Town of Mayerthorpe.

<https://www.mayerthorpe.ca/public/download/files/128388>.

Outcome, new 22 lot commercial development in 2021. New 6 lots residential.

Infrastructure Payment & Security Program - POLICY STATEMENT: Town of Mayerthorpe desires to facilitate development within the Town in a manner that reduces costs to the developer while maintaining the “Developer Pays” principle. PURPOSE: To provide a framework for the deferral of costs related to the provision of municipal infrastructure as part of the subdivision and development process. <https://www.mayerthorpe.ca/public/download/files/99493>

Outcome. Development above.

Redevelopment Infill - PURPOSE: To encourage redevelopment in areas where the housing stock is older and in need of replacement.

<https://www.mayerthorpe.ca/public/download/files/172350>.

Outcome five upgrades, 2 new developments.

Q Why do incentives have a bad reputation? In the 1990’s and early 2000’s, incentives were once viewed as a negative government program. What has changed?

Incentives are much more than just a financial defray for start-ups. Now incentives are based on government’s expected a rate of return-on-investment calculation and the amount does not exceed the expected tax revenue. This program has evolved so much that the new Municipal Government Action (MGA) is encouraging communities to bring in grants, training programs and other investment incentives to enhance a community’s locations’ competitiveness. It is a tool to solve businesses economic challenges and stimulate new investment which leads to more taxable property in a community.

Q How do we ensure fairness to our existing businesses that have contributed to the tax base for years?

The objective of the incentives is to encourage investment in property such that the overall value of the Town increases through a rise in market value of the area, more people employed and therefore more homes built etc. New businesses or old ones can both benefit from the incentive. The only requirement of the program is to increase the value of the taxable property.

Q What are the incentives for?

Investment incentives are to stimulate economic activity, attract more new businesses and help existing businesses to expand. There is a mutual benefit to the community, government (tax base) and the businesses themselves.

Why use taxpayers money to incentivize businesses?

There is no direct cost to the taxpayer. The incentive is based on how much the business invests. The company lowers their tax in the first few years but makes investments that pay out to the Town in the form of tax for many years to come. It is a win-win for the taxpayer.

Q. Incentives have been viewed as a handout to business. How can I explain this to my constituents?

Business tax is the biggest source of income for the Town and the more businesses the greater the money for schools, roads, sidewalks, recreational improvements etc. Supporting business helps everyone because without business the Town will die.

Capital Costs vs Market Value

Capital Costs is the best way to go for seven reasons

1) Known indisputable numbers

It is then a known number both for business and for Council. Both want (and even need) certainty.

2) Cost to administer is small

It is simple and constant, so there is no dispute each year of the agreement. The costs of administering the agreements are far smaller since far less time consuming, with minimal opportunities for disputes, council time, legal, etc.

3) Business likes certainty

Market value can go up or down, is subjective and also debatable whereas the cost is the cost. The assumed increase in market value also isn't known until after the fact, so neither businesses or the Town will know until later. A market value calculation is a disincentive for businesses who want certainty when you are trying to incentivize development.

4) The Town wins no matter which method (market value or cost)

It makes no financial difference to the Town whether it is calculated on cost or market value. Town can push the onus for verifying the costs onto the business by asking for a notarized statement of true costs and/or a statement from their accountant that the costs are true and qualify as permanent improvements to the structure.

5) Provides a clear competitive market advantage over other towns

Basing the incentive on cost rather than an increase in market value is a clear competitive advantage over all the other Towns.

6) The big prize is overall economic growth (jobs, goods, services)

The business is far more than the assessed value of its property. The expansion is there to enhance the business itself, whatever it is. That means more sales, employment,

activity, spin off activities, etc. This is the big prize to focus on, not just the property value.

7) Temporary cost for Town but benefits go on for decades

Always keep in mind that the incentive is small and temporary, while the benefits go on for decades! Ultimately, we are incentivizing to increase the Town's property tax base, in the long term is good for our community and residents.

FAQ's on the proposed bylaw as it is written:

Q: What if the construction cost is larger than the change in assessed value?

A: The business owner is out far more than the Town! No one wants to spend \$X only to have it worth less!

Q: What if total assessed value goes down?

A: Then the addition made it go down less than it otherwise would have, so the town is still ahead. Again, the owner is behind far more!

Q: What if the costs are inflated?

A: If purposefully, then it is fraud, which you are at risk for in many places. If due to inflation, then the owner is at risk more than the town. Saving a few dollars based on the mill rate for a few years will not incentivize the owner to pay more costs!

Q: What if there is property value inflation?

A: The fixing of the value up front is a good thing! The incentive is then smaller than it would be otherwise.

Q: What if the building owner does the work themselves and cannot provide construction costs?

A: How would this really matter if they get building approvals? The building value still goes up for taxation after 36 months and as long as they provide proof of payment to the workers who did the work they would meet the criteria. Utilizing a notarized accountant statement will mitigate risk.

References & Resources:

Government of Alberta changes to the MGA: <https://www.alberta.ca/property-tax-incentives.aspx>

**** INTERNAL DOCUMENT ****

Good Practices for economic Incentive Programs: <https://www.ebp-us.com/en/insights/good-practices-economic-incentive-programs>

Why incentives work: <https://www.areadevelopment.com/Canada-Investment-Guide/Location-Canada-2020/navigating-canada-complex-incentives-landscape.shtml>

Development incentives cons: <https://www.buxtonco.com/blog/development-incentives-pros-and-cons-part-1>

Development incentives pros: <https://www.buxtonco.com/blog/development-incentives-pros-and-cons-part-2>

Government incentives: past, present and future - EY Policy Brief
https://assets.ey.com/content/dam/ey-sites/ey-com/en_ca/topics/us-tax-reform/ey-government-incentives.pdf

Nanton implements tax increase on empty buildings: <https://okotoksonline.com/articles/town-of-nanton-to-increase-taxes-on-empty-buildings>

Fort Macleod awards first tax incentive
<https://www.fortmacleodgazette.com/2020/fort-macleod-council-awards-first-tax-incentive/>

Fort Macleod Incentive bylaw: <https://fortmacleod.com/business-tax-incentive-applications-due-october-1-2021/>

Town of Pincher Creek Tax Incentive Program

Total dollars invested \$ 1,000,000
Municipal Mil Rate 1.24%

ONLY CHANGE THE RED CELL

Instructions:
C3 - enter the dollars invested

<u>Year</u>		<u>Value</u>	<u>Muni Tax</u>	<u>Rebate</u>	<u>Net Tax</u>	<u>Cash Flow</u>
		0%				
1	\$	1,000,000	\$ 12,388	100%	\$ -	\$ (12,388)
2	\$	1,000,000	\$ 12,388	100%	\$ -	\$ (12,388)
3	\$	1,000,000	\$ 12,388	100%	\$ -	\$ (12,388)
4	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
5	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
6	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
7	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
8	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
9	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
10	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
11	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
12	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
13	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
14	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
15	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
16	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
17	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
18	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
19	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
20	\$	1,000,000	\$ 12,388	0%	\$ 12,388	\$ 12,388
				PV	0%	\$173,436
				Internal Rate of Return (IRR)		26%
				Owner Gross Savings	\$ 37,165	
				App Fee	\$ (100)	
				Legal Fees	\$ (500)	
				Other	\$ (500)	
				Owner Gross Savings	\$ 36,065	

Assessed Value of Property	\$474,600.00
----------------------------	--------------

General Municipal	0.0123883	\$5,879.49
ASFF OR Holy Spirit	0.0039447	\$1,872.15
PC Foundation	0.0002182	\$103.56
EMS		\$0.00
Total Mill Rate	0.0165512	

Total Property Tax:	\$7,855.20
---------------------	------------

Business Investement Incentive

Total dollars invested	\$100,000	
Incentive (general muni mill rate)	0.0123883	
Yearly Tax exemption (3 years)		\$1,238.83

Annual Property Taxes for the next 3 years**	\$6,616.37
--	------------

** if assesement value doesn't change (which it should)

NOTE: only change the numbers in the red cells

2021 mill rate

Instructions:
(B3) Enter the assesed property value (no land) into the top red box
(B16) Enter the total dollars invested

**TOWN OF FORT MACLEOD
PROVINCE OF ALBERTA
BYLAW NO. 1912**

**A BYLAW OF THE TOWN OF FORT MACLEOD IN THE PROVINCE OF ALBERTA,
TO ESTABLISH TAX INCENTIVES**

WHEREAS the Town of Fort Macleod considers it desirable to encourage the development of existing and new Business properties for the general benefit of the Town;

AND WHEREAS pursuant to Section 364.2 of the *Municipal Government Act*, RSA 2000, c M-26, Council may pass a tax incentives bylaw to encourage development and revitalization of non-residential properties for the general benefit of the Town;

AND WHEREAS the Town of Fort Macleod is responsible for carrying out measures that will develop and maintain a viable community pursuant to Section 3(c) of the *Municipal Government Act*, which includes measures to improve the long-term economic outlook for the Town,

NOW THEREFORE, the Council of the Town of Fort Macleod, in the Province of Alberta, duly assembled, enacts as follows:

1 Short Title

1.1 This Bylaw may be referred to as the "Tax Incentives Bylaw".

2 Definitions

2.1 In this Bylaw, unless the context otherwise requires:

- a) "Act" means the *Municipal Government Act*, RSA 2000, c M-26, as amended from time to time;
- b) "Administration" means the administrative and operational arm of the Town comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO;
- c) "Applicant" means a person who applies for an Exemption;
- d) "Application Fee" means the fee established by this Bylaw to be paid at the time an application is submitted pursuant to this Tax Incentives Bylaw;
- e) "Assessed Person" means an assessed person as that term is defined under Section 284(1) of the Act;
- f) "Business" means commerce for purposes of the production, storage, buying or selling of goods and services;
- g) "Chief Administrative Officer" or "CAO" means the chief administrative officer as appointed by Council, including the CAO's delegate;

- h) "Complete Application" means an application submitted pursuant to this Tax Incentives Bylaw that includes the Application Fee and the application requirements for non-residential tax incentives and the application form for non-residential tax incentives as set out in Appendices "A" and "B", respectively, attached hereto;
- i) "Council" means all the councillors of the Town including the chief elected official for the Town;
- j) "Exemption" means an exemption from taxation for Non-residential Property as provided for in Part 10, Division 2 of the Act. For purposes of clarity, the exemption from taxation applies only to taxes imposed by the Town under Part 10, Division 2 of the Act and not any Provincial requisitions;
- k) "Expansion" means development that adds to an existing Structure to increase the Structure's physical space for purposes of facilitating the Business within that Structure, or to replace an existing Structure for purposes of facilitating the Business within that Structure;
- l) "New Construction" means the construction of a new Structure for the purpose of establishing a Business within that Structure;
- m) "Non-residential Property" means non-residential as defined in the Act in respect of property;
- n) "Qualifying Property" means a Structure that is the subject of the New Construction or an Expansion;
- o) "Structure" means a structure as that term is defined in s 284(1)(u) of the Act that is Non-residential Property;
- p) "Tax Incentive Agreement" means a written agreement setting out the terms and conditions for an Exemption for the Qualifying Property; and
- q) "Town" means the Town of Fort Macleod in the Province of Alberta.

3 Purpose

- 3.1 The purpose of this Tax Incentives Bylaw is to allow tax incentives for Exemptions from taxation under Part 10, Division 2 of the Act for Qualifying Properties in the Town that meet the requirements of this Tax Incentives Bylaw.
- 3.2 Tax incentives under this Tax Incentives Bylaw will not be granted in respect of Non-residential property taxes imposed on land under Part 10, Division 2 of the Act.

4 Criteria for an Exemption

- 4.1 In order to apply for an Exemption, an Applicant must meet the following criteria:

- 4.1.1 the Applicant must be the Assessed Person for the Qualifying Property that is the subject of the application; and
- 4.1.2 the Applicant must have no outstanding monies owing to the Town.
- 4.2 In order to qualify for an Exemption, the Qualifying Property must meet the following criteria:
 - 4.2.1 the Qualifying Property must be located within the geographical boundaries of the Town;
 - 4.2.2 the development of the Qualifying Property must qualify as New Construction or an Expansion;
 - 4.2.3 All required Town development approvals with respect to the development of the Qualifying Property must have been issued;
 - 4.2.4 Eligibility for a Tax Incentive pursuant to this Bylaw requires the following criteria:
 - 4.2.4.1 \$50, 000 increase in the assessed value of the Qualifying Property from the previous year resulting from New Construction or an Expansion; and
 - 4.2.4.2 A building/ development permit has been obtained and executed by the Town of Fort Macleod.
 - 4.2.5 The Applicant must submit a Complete Application in accordance with the terms of this Bylaw.
 - 4.2.6 With respect to a Qualifying Property, only one agreement per three-year period is allowed.

5 Application for an Exemption

- 5.1 Applicants must submit a Complete Application to the CAO.
- 5.2 The Application Fee is \$100.00 DOLLARS.
- 5.3 Complete Applications must be received by October 1st of the year prior to the year in which the requested Exemption is to commence.
- 5.4 Complete Applications may be considered and approved in accordance with the requirements of this Tax Incentives Bylaw before construction on the Qualifying Property is complete, however, the Exemption will not apply until all construction on the Qualifying Property is complete and the development is inspected and approved for occupancy.
- 5.5 Notwithstanding the Complete Application requirements set out in this Bylaw, the CAO may require any additional information that, in the discretion of the CAO, is necessary to complete the application.

- 5.6 The CAO will advise Applicants in writing if their application is accepted for consideration. Applications accepted for consideration shall become the property of the Town and may not be returned.
- 5.7 The CAO has the discretion to reject applications that are incomplete or illegible.
- 5.8 Applicants whose applications are returned as incomplete or illegible may resubmit an application provided the application is resubmitted by the deadline provided in section 5.3 of this Bylaw.
- 5.9 The CAO will advise Applicants in writing with reasons if their application is rejected.

6 Consideration of Applications

- 6.1 Administration shall review the Complete Application to determine if it meets the criteria and requirements for an Exemption and provide a written report with recommendations to Council.
- 6.2 Council shall review the Complete Application and Administration's report and may:
 - 6.2.1 pass a resolution directing Administration to enter into a Tax Incentive Agreement; or
 - 6.2.2 pass a resolution refusing the Complete Application.
- 6.3 A resolution directing Administration to enter into a Tax Incentive Agreement must include:
 - 6.3.1 the three taxation years to which the Exemption applies;
 - 6.3.2 the dollar value of the Exemption for the Qualifying Property for each of the three years, whether based upon New Construction or an Expansion in accordance with the following:
 - 6.3.2.1 In the first taxation year identified in the Tax Incentive Agreement, the Qualifying Property shall receive a 100% Exemption on the incremental increase in the assessed value of the Qualifying Property between the taxation year immediately prior to the commencement of the New Construction or Expansion and the first taxation year identified in the Tax Incentive Agreement;
 - 6.3.2.2 In the second taxation year identified in the Tax Incentive Agreement, the Qualifying Property shall receive a 75% Exemption on the incremental increase in the assessed value of the Qualifying Property, such increase as calculated in the first taxation year of the Tax Incentive Agreement;

6.3.2.3 In the third taxation year identified in the Tax Incentive Agreement, the Qualifying Property shall receive a 50% Exemption on the incremental increase in the assessed value of the Qualifying Property, such increase as calculated in the first taxation year of the Tax Incentive Agreement.

6.4 A Tax Incentive Agreement shall be honored notwithstanding this bylaw being amended or repealed subsequent to entering into such agreement.

6.5 Administration shall provide written notice of a refusal to an Applicant which must include the resolution passed under section 6.2.2.

6.6 Administration shall provide written notice of a refusal to an Applicant which must include the resolution passed under section 6.2.2.

7 Tax Incentive Agreement

7.1 Where Council has passed a resolution approving an Exemption, Administration shall draft a Tax Incentive Agreement in accordance with the resolution of Council.

7.2 A Tax Incentive Agreement must outline:

7.2.1 the taxation years to which the Exemption applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted;

7.2.2 the extent of the Exemption for each taxation year to which the Exemption applies;

7.2.3 a deadline for submission of proof that the Qualifying Property has been approved for occupancy;

7.2.4 any criteria in Section 4 which formed the basis of granting the Exemption and the taxation year or years to which the criteria applies all of which are deemed to be a condition or conditions of the Tax Incentive Agreement the breach of which will result in the cancellation of the Exemption for the taxation year or years to which the criteria applies;

7.2.5 In the event of a cancellation pursuant to section 8.1 of this Bylaw, any monies owed to the Town shall be immediately paid by the Applicant; and

7.2.6 any other conditions Administration deems necessary and the taxation year(s) to which the condition applies.

7.3 Tax Incentive Agreements shall be executed by the chief elected official or their delegate and the CAO.

8 Cancellation of Tax Incentive Agreements

- 8.1 If at any time after an Exemption is granted, Administration determines that the Applicant or their application:
- 8.1.1 did not meet or ceased to meet any of the applicable criteria in Section 4 which formed the basis of granting the Exemption;
 - 8.1.2 Tax arrears are owing with respect to the Qualifying Property; or
 - 8.1.3 that there was a breach of any condition of the Tax Incentive Agreement,
- Administration shall make a recommendation to Council and Council may, by resolution, cancel the Exemption for the taxation year or years in which the criterion was not met or to which the condition applies.
- 8.2 A resolution passed by Council pursuant to section 8.1 must include reasons and identify the taxation year or years to which the cancellation applies.
- 8.3 Administration shall provide written notice of a cancellation to an Applicant which must include the resolution passed under section 8.1.

9 Review of Decision

- 9.1 Where an application has been rejected by Administration on the basis that it is incomplete, Applicants may apply to Council within 15 business days of receiving notice of the refusal to review the decision to reject the application.
- 9.2 Applicants may apply to Council within 15 business days of receiving a Tax Incentive Agreement to review the Tax Incentive Agreement on the limited issue of whether the Tax Incentive Agreement follows the direction of Council. Council may revise the Tax Incentive Agreement or provide direction to Administration to revise the Tax Incentive Agreement in accordance with Council's initial resolution.
- 9.3 Applicants may apply to Council within 15 business days of receiving a notice of cancellation to review the cancellation and Council may uphold or revoke the cancellation.
- 9.4 Applications for judicial review of a decision pursuant to this Tax Incentives Bylaw must be filed with the Court of Queen's Bench and served not more than sixty (60) days after the date of decision.

10 Review of Bylaw

- 10.1 This bylaw shall be reviewed by Council in a public Council meeting at least every second year from the date of passing of the bylaw for the purpose of assessing whether to amend or repeal the bylaw.

11 Severability

11.1 If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of this Bylaw is deemed valid.

12 Effective Date

12.1 This Bylaw shall come into force and take effect upon receiving third reading.

READ a First time this 13th day of July 2020.

READ a Second time this 13th day of July 2020.

READ a Third time this 13th day of July 2020.

SIGNED AND PASSED this 13th day of July 2020.



MAYOR



CHIEF ADMINISTRATIVE OFFICER

Appendix "A"
Application Requirements for Non-Residential Tax Incentives
Pursuant to the Tax Incentives Bylaw No. 1912

1. All applications for an Exemption under to the Tax Incentives Bylaw must include the following information:
 - a) a signed and dated application form:
 - b) the Application Fee:
 - c) if the Applicant is not an individual, an agent authorization form or directors' resolution:
 - d) if the Applicant is a corporation, a corporate registry record of the Applicant dated within 60 days of the date of the application:
 - e) a land titles certificate for the lands on which the Qualifying Property is located dated within 60 days of the date of the application:
 - f) copies of all building/development permits issued with respect to the development of the Qualifying Property:
 - g) a description of the Business conducted or to be conducted in the Qualifying Property:
 - h) an indication of whether the development is New Construction or an Expansion:
 - i) an estimate of when the Qualifying Property will be approved for occupancy after completion of the New Construction or Expansion:
 - j) an explanation of how the application meets the criteria for an Exemption; and
 - k) With regards to Expansions the following additional information:
 - i. photographs of the Qualifying Property before the Expansion; and
 - ii. a financial summary and copies of receipts or paid invoices in relation to the development showing the location of the Expansion.
 - l) A copy of previous and current tax assessment notices showing an increase of \$50,000.00 in assessed value.
2. Applicants may provide any other material, including additional print, visual or audio-visual material, which the Applicant believes will support their application.

NOTE: Applications and all material provided will be included in reports to Council and the Council agenda packages that are available to the public.

All Qualifying Properties will be subject to inspection by Town staff to ensure the validity of the application.

Appendix "B"
Application Form for Non-Residential Tax Incentives
Pursuant to the Tax Incentives Bylaw No. 1912

Applicant Information:

Applicant Name:	
Registered Corporate Name, If Different:	
Legal Description of Assessed Property:	
Mailing Address of Assessed Property:	
Corporate Registry Office Address of Applicant:	

Agent Information:

Name of Authorized Agent for Applicant:	
Mailing Address for Agent:	
Email Address for Agent:	
Telephone Number for Agent:	

Personal Information required by Town of Fort Macleod application forms is collected under authority of sections 33(a) and (c) of the Alberta Freedom of Information and Protection of Privacy (FOIP) Act. Your personal information will be used to process your application(s). Please be advised that your name, address and details related to your application may be included on reports that are available to the public as required or allowed by legislation. If you have any questions, please contact the Town's FOIP Head at 780-553-4425 or l.gillingham@fortmacleod.com.

Provide, or append, a brief description of the Business:

The Applicant is applying for a three-year (2020, 2021, 2022) tax incentive for: (choose applicable)

☐ New Construction

☐ Expansion

Describe, or append, an explanation of why you are seeking an Exemption and how you meet the criteria for one of the tax incentive programs listed above:

What date is the subject property expected to be approved for occupancy:

Indicate if the application includes the following:

☐ Building/Development Permits (required)

☐ Application Fee (required)

☐ Tax Assessment Notices (required)

☐ Land Titles Certificate (required)

☐ Agent Authorization Form/Directors' Resolution (if applicable)

☐ Photos (if applicable)

☐ Financial Summary and Receipts/ Invoices (if applicable)

☐ Other materials (optional)

☐ Corporate Registry Record (if applicable)

Date of the Application

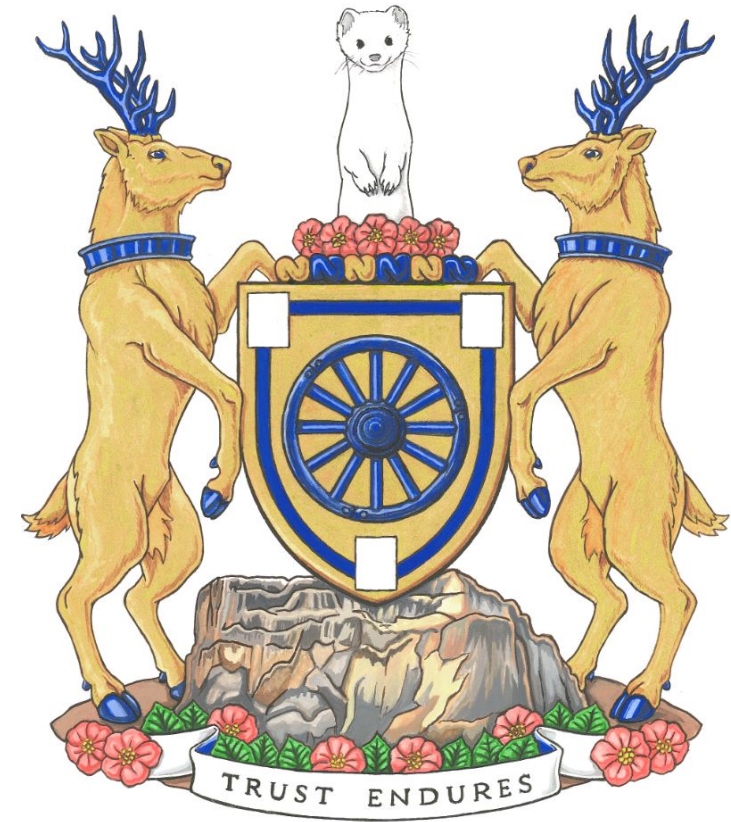
Signature of Applicant (or Applicant's Agent)

Print Name of Applicant (or Applicant's Agent)

FOR OFFICE USE ONLY

DATE APPLICATION WAS RECEIVED

NAME OF RECIPIENT



**TOWN OF CARDSTON
IN THE PROVINCE OF ALBERTA**

BYLAW 1695

**NON-RESIDENTIAL PROPERTY TAX INCENTIVE
BYLAW**

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TOWN OF CARDSTON IN THE PROVINCE OF ALBERTA

BYLAW 1695

NON-RESIDENTIAL PROPERTY TAX INCENTIVE BYLAW

A BYLAW OF THE TOWN OF CARDSTON IN THE PROVINCE OF ALBERTA TO PROVIDE INCENTIVE TO MAKE IMPROVEMENTS TO NON-RESIDENTIAL PROPERTIES

WHEREAS, the *Municipal Government Act*, RSA 2000, c.M-26 and amendments thereto, namely 2019 Bill 7, authorizes municipalities to allow full or partial exemption from taxation for non-residential properties.

AND WHEREAS, The Town wishes to encourage redevelopment and new development of non-residential properties within the Town.

NOW THEREFORE, the Council of the Town of Cardston, duly assembled, enacts as follows:

PART I - TITLE, PURPOSE, DEFINITIONS AND INTERPRETATION

TITLE

- 1)** This bylaw shall be known as the “Non-Residential Property Tax incentive bylaw” of the Town of Cardston.

PURPOSE

- 2)** The Purpose of this bylaw is to encourage improvements to be made to existing non-residential properties and to provide an attractive environment for new commercial and industrial development within the Municipality of the Town of Cardston.

DEFINITIONS

- 3)** In this bylaw:
- 3.1.** “Town” means Town of Cardston;
 - 3.2.** “CAO” means Chief Administrative Officer of the Town of Cardston;
 - 3.3.** “Council” means the Municipal Council of the Town of Cardston;
 - 3.4.** “Applicant” means the individual who applies for tax exemption.

RULES FOR INTERPRETATION

- 4)** The table of contents, marginal notes and headings in this bylaw are for reference purposes only.

PART II – GENERAL

APPLICATION

- 5)** Developments must conform to the Town of Cardston Land Use Bylaw No. 1647 and amendments thereto, and all other applicable regulations.
- 6)** All eligible development must be non-residential and of a permanent nature.
- 7)** Additions, expansions or renovations are only eligible if the assessed value of the total property is greater than or equal to an increase of 25% or more than the previous assessment. This tax exemption will only apply to this increased assessment amount.
- 8)** The program cannot be combined with any other tax credit policy that may be offered by the Town.
- 9)** This tax exemption will be transferable to new ownership.
- 10)** Applicants will need to apply for this tax exemption using Schedule A of this bylaw.
- 11)** For applicants who are applying for new development, additions, expansion, or renovations the period of tax exemption is five (5) years pro-rated as follows:
 - 11.1.** Year 1 — 100%
 - 11.2.** Year 2 — 80%
 - 11.3.** Year 3 — 60%
 - 11.4.** Year 4 — 40%
 - 11.5.** Year 5 — 20%
- 12)** Applications must be submitted before June 30th, in the first tax year after the eligible assessment increase.
- 13)** The tax exemption will begin in the taxation year following the completion of the development, unless otherwise agreed upon by all parties.

EFFECTIVE DATE

- 14)** This Bylaw shall come in force upon the date of its third and final reading.

Received First Reading this 10 day of November, 2020

Received Second Reading this 23 day of February, 2021

Received Third & Final Reading this 23 day of March, 2021

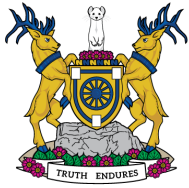
Signed by the Mayor and the Chief Administrative Officer this 25 day of March, 2021

TOWN OF CARDSTON

MAYOR – *Maggie Kronen*

CHIEF ADMINISTRATIVE OFFICER – *Jeff Shaw*





SCHEDULE "A" APPLICATION

Non-Residential Property Tax Incentive

Date:

Name of Property Owner (as per tax roll)

Contact Name:

Mailing Address:

City/Town/Village:

Province

Postal Code

Telephone Number (Main):

Telephone Number (Alternate):

Email Address:

Legal Description of Lands for tax exemption:

Roll:	Plan:	Block:	Lot:
Roll:	Plan:	Block:	Lot:

I/We, the undersigned, understand the conditions of eligibility and further terms set out in Bylaw 1695 (*Non-Residential Property Taxation Incentive*), and acknowledge I/we have authority to request taxation exemption on the above mentioned properties. Applications must be submitted before June 30th, in the first tax year after the assessment increase.

Full Name

Signature

Full Name

Signature

Office Use Only:

Development Permit #:	Development Permit Issue Date:	Development Completion Date:
Previous Assessment:	Current Assessment:	Approved By:



**TOWN OF CLARESHOLM
PROVINCE OF ALBERTA
BYLAW #1693**

A BYLAW OF THE TOWN OF CLARESHOLM, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE PROPERTY TAX INCENTIVES FOR NON-RESIDENTIAL PROPERTIES WITHIN THE TOWN OF CLARESHOLM.

WHEREAS, on June 4, 2019, the Alberta Legislature introduced Bill 7 which would allow municipalities to provide property tax incentives for non-residential properties in the form of property tax exemptions or property tax deferrals and Bill 7 received Royal Assent on June 28, 2019;

AND WHEREAS, s. 364.2(2) of the *Municipal Government Act* RSA 2000, c.M-26, as amended, provides a Council may, by bylaw, for the purpose of encouraging the development or revitalization of properties in the non-residential assessment class for the general benefit of the municipality, provide full or partial exemptions from taxation or deferrals of the collection of tax;

AND WHEREAS, s. 364.2(3) of the *Municipal Government Act* RSA 2000, c.M-26, as amended, requires a bylaw under s. 364.2(2) of the *Municipal Government Act* RSA 2000, c.M-26, as amended, to set criteria for property to qualify for an exemption or deferral and establish a process for the submission and consideration of an application for an exemption or deferral;

AND WHEREAS, the Council of the Town of Claresholm deems it appropriate to provide for property tax incentives for non-residential properties in the form of property tax exemptions to encourage development and redevelopment within the boundaries of the Town of Claresholm;

NOW THEREFORE, the Council of the Town of Claresholm, duly assembled, hereby enacts as follows:

1. Application

- 1.1.** This Bylaw may be referred to as the “Non-Residential Tax Incentive Bylaw”.
- 1.2.** This Bylaw applies to the Development and Redevelopment of properties within the boundaries of the Town of Claresholm.

2. Definitions

- 2.1.** “Act” means the *Municipal Government Act* RSA 2000, c.M-26.1, as amended.
- 2.2.** “Application” means an application for a Tax Incentive pursuant to this Bylaw in the form attached hereto as Schedule “A”.
- 2.3.** “Building” means a building, structure or other thing erected or placed in, on, over or under land.
- 2.4.** “CAO” means the Chief Administrative Officer of the Town of Claresholm.
- 2.5.** “Completed” means the date of final inspection of the building permit for the Development or Redevelopment or the date of the annexation of lands to the Town on which is located a building or buildings pursuant to the provisions of the Act.
- 2.6.** “Council” means the Municipal Council of the Town of Claresholm.
- 2.7.** “Development” means the construction of a new building or buildings.
- 2.8.** “Redevelopment” means improvements to or the alteration of an existing building or buildings or the addition of lands to the Town through annexation on which is located a building or buildings.

- 2.9.** “Tax Incentive” means the cancellation of a portion of the municipal portion of taxes for a property pursuant to this Bylaw.

3. Criteria

- 3.1.** In order to qualify for a Tax Incentive under this Bylaw:

- 3.1.1. The property must be located within the boundaries of the Town of Claresholm when the Application is made;
- 3.1.2. Development or Redevelopment occurs on the property after the coming into effect of this Bylaw;
- 3.1.3. Development or Redevelopment is in compliance with the requirements of the Town’s Land Use Bylaw and any other applicable municipal bylaw or regulation, as amended from time to time, and
- 3.1.4. All outstanding property taxes (including amounts added to the tax roll pursuant to the *Municipal Government Act*) on the property have been paid in full and are not in arrears.

- 3.2.** Eligibility for a Tax Incentive pursuant to this Bylaw shall be based on the increased assessment, determined as follows:

- 3.2.1. In the case of Development, based on the total assessed value of the new building(s), and;
- 3.2.2. In the case of Redevelopment, based on the total increase in the assessed value of the building(s) as a result of the Redevelopment; provided, however, that redevelopment shall not be eligible for consideration under this Bylaw unless the total increase in assessed value of the building(s) as a result of the Redevelopment is 25% or more,

(the “Municipal Benefit”).

- 3.3.** The owner of a property within the Town on which Development or Redevelopment has occurred, shall be responsible for any costs associated with evidencing the Municipal Benefit, including, but not limited to, any fee or charge to reconcile the change in assessment.

- 3.4.** A Tax Incentive granted pursuant to this Bylaw shall apply to the municipal portion of property taxes only, and does not include school or other requisitions.

- 3.5.** A Tax Incentive granted pursuant to this Bylaw shall be for a THREE (3) YEAR period (the “Tax Incentive Period”), with a declining exemption, calculated as follows:

- 3.5.1. 75% exemption from taxation on the [Municipal Benefit](#) in the year following the year in which the Development or Redevelopment is completed (“Year One”);
- 3.5.2. 50% exemption from taxation on the [Municipal Benefit](#) in the year subsequent to Year One (“Year Two”);
- 3.5.3. 25% exemption from taxation on the [Municipal Benefit](#) in the year subsequent to Year Two (“Year Three”); and
- 3.5.4. 0% exemption from taxation in the year subsequent to Year Three.

- 3.6.** A Tax Incentive granted pursuant to this Bylaw shall be calculated in accordance with Section 3.5 herein over the Tax Incentive Period based on the Municipal Benefit as determined in Year One.

4. Procedures

- 4.1.** The owner of a property within the Town on which Development or Redevelopment has occurred may apply to the CAO for a Tax Incentive in accordance with the procedure established in this Bylaw.
- 4.2.** An Application pursuant to this Bylaw must be made within ONE (1) year of the date of the assessment notice issued with respect to the property which reflects the Municipal Benefit as the result of the Development or Redevelopment.
- 4.3.** An Application must be submitted in writing to the CAO in a form and with supporting documentation satisfactory to the CAO, and must be accompanied by a valid Development Permit issued by the Town (or another municipality) for the Development or Redevelopment, proof of payment of all outstanding taxes for the property that is the subject of the Application and all applicable fees and deposits.
- 4.4.** The CAO shall refer all complete Applications to Council for a decision in accordance with s. 364.2(4) of the MGA.
- 4.5.** All Applications are subject to approval by Council in its sole and unfettered discretion, which approval, if provided, shall be in the form of a Council resolution that specifies the taxation years to which the Tax Incentive applies and any condition the breach of which will result in cancellation of the Tax Incentive.
- 4.6.** If at any time after a Tax Incentive is granted under this Bylaw the Town determines that the property did not qualify or has ceased to qualify for a Tax Incentive under this Bylaw, Council may, in its sole discretion, cancel the Tax Incentive for the taxation year or years in which the property did not qualify. Notwithstanding the foregoing, if the Town determines that the property has ceased to qualify under this Bylaw because property taxes are unpaid, the Tax Incentive is cancelled automatically.
- 4.7.** An increase or decrease in the [assessment of a property](#) over the Tax Incentive Period shall not impact the Tax Incentive pursuant to this Bylaw. Notwithstanding the foregoing, if the Town determines the assessment of a property assessed based on the income approach has decreased in Year Two and/or Year Three by more than 10% below the [Year One assessed value of the property](#), Council may, in its sole discretion, cancel or reduce the Tax Incentive for Year Two and/or Year Three of the Tax Incentive Period. In determining whether or not to cancel or reduce the Tax Incentive for Year Two and/or Year Three of the Tax Incentive Period, Council may take into consideration factors including, but not limited, to a change in business operations or employment.
- 4.8.** If a Tax Incentive is granted under this Bylaw, the owner of the property shall advise subsequent owners of the Tax Incentive and subsequent owners shall be subject to this Bylaw with respect to the continuation of the Tax Incentive.
- 4.9.** Where Council refuses to grant or cancels a Tax Incentive, the applicant will receive a notice in writing with reasons.

This bylaw shall come into effect on the date of third and final reading.

Read a first time in Council this **23rd** day of **March**, 2020.

Read a second time in Council this **27th** day of **April**, 2020.

Read a third and final time in Council this **27th** day of **April**, 2020.

Mayor Doug MacPherson

Marian Carlson, Chief Administrative Officer

SCHEDULE "A"

TAX INCENTIVE FOR NON-RESIDENTIAL PROPERTIES - APPLICATION FORM

Applicant		
	Name	
	Mailing Address	
	Contact Number(s)	
	Email	
Property:		
	Roll Number	
	Civic Address	
	Legal Description	
	Registered Owner(s)	
<p>Note – Proof of registered owners must be verified by supplying a current copy of title. If this is not provided the Town will pull a copy of the title and any fees related to this will be payable by the applicant.</p>		
The initial tax year exemption is being applied for:		
Assessment		
	Current Assessment Year	
	Current Assessment Value (Total)	
	Current Improved Assessment Value (Bldgs)	
	Reference Assessment Year	
	Reference year is the comparison year to show the assessed value of growth based on the development/redevelopment. This may be the previous year or earlier, based on length of development.	
	Previous Assessment Value (Total)	
	Previous Improved Assessment Value (Bldgs)	
	Improved Assessment Increase (from Prev. to Cur.)	
<p>Note – the Town will confirm Assessment values and percentage increases and may require confirmation from the Assessor the value increase based solely on development/redevelopment. Any fees to the Assessor for this assessment/adjustment is the responsibility of the applicant to pay.</p>		
Eligibility		
	Current zoning of property	
	Permit number(s) related to development/redevelopment	
	Are all permits closed? (attach proof)	
	Are Property Taxes fully paid? (attach proof)	
<p>Note – Proof of satisfactory completion of development/redevelopment must be provided (i.e. license to operate)</p>		
<p>Optional – Attach letter about property/business with reasoning as to why this property should be granted a tax incentive by the Town of Claresholm (i.e. number of new jobs being created, spin off economic development or growth the development will bring to Town, etc.)</p>		
<p>Application Fee - \$100 Refundable Deposit - \$500 (to cover 3rd party costs if applicable, such as land title fees)</p>		