

**New & Expanding Business Incentive Policy**

**Policy No. 2.9.1**

**Date of Policy:**

**Review:** Sept. 16, 2019

**Motion Number:**

**1. Purpose**

- 1.1. To stimulate business expansion and new business development within the Town of Nipawin.
- 1.2. To decrease the number of vacant commercial buildings.
- 1.3. To increase the long term commercial assessment in Nipawin.

**2. Definitions**

**2.1. Developer**

- 2.1.1. Any business that builds new commercial/industrial space or makes additions to existing commercial/industrial space for the purpose of leasing or selling to another party.
- 2.1.2. A local developer is defined as a business that has their head office in Nipawin for a period of no less than one year.

**2.2. Existing Business**

- 2.2.1. A business that currently has been licensed by the Town of Nipawin for a minimum period of one year.
- 2.2.2. A business subject to commercial/industrial taxation, thus home-based businesses and properties subject to grants in lieu are excluded.

**2.3. New Business**

- 2.3.1. Any business that does not hold a valid Town of Nipawin business license, and any business that has held a valid Town of Nipawin business license for under a one-year period.
- 2.3.2. Any business that is subject to commercial taxation, thus home-based businesses and properties subject to grants in lieu are excluded.

**3. General Taxation Exemption Policy:**

- 3.1. Both municipal and education property taxes are to be exempt as allowed in *The Municipalities Act*, Section 298 (5) & (6), subject to Provincial Government approval of education property tax exemptions.

- 3.2. If at any time the taxes are in arrears on the affected property, all incentives will be

withdrawn, and full taxes become payable for the project.

**3.3.** Incentives will be given only if all applicable municipal bylaws and permits are complied with prior to construction projects being initiated.

**3.4.** Local improvement levies are not eligible as part of a tax incentive.

#### **4. Business Incentive Tax Exemption**

##### **4.1. Existing Business**

4.1.1. Any existing business or developer will qualify for the following tax exemptions:

- The tax exemption will be applied to any increased assessed value (improvement) of an existing building due to new construction or renovation
- The tax exemption will also be applied to the assessed value of any expansion (improvements) of new construction on bare land
- The exemption does not apply to the assessment of bare land

4.1.2. The tax exemption will not take effect until the renovation or new construction is assessed and taxable. The tax incentive will come into effect on January 1<sup>st</sup> of the year following completion.

4.1.3. The exemption shall be applied as follows:

- 100% exempt in year one
- 100% exempt in year two
- 100% exempt in year three
- 100% exempt in year four
- Full taxation in year five

##### **4.2. New Business**

4.2.1. Any new business or developer will qualify for the following tax exemptions:

- The tax exemption will be applied to any increased assessed value (improvement) of an existing building due to new construction or renovation
- The tax exemption will also be applied to the assessed value of any expansion (improvements) of new construction on bare land
- The exemption does not apply to the assessment of bare land

4.2.2. The tax exemption will not take effect until the renovation or new construction is assessed and taxable. The tax incentive will come into effect on January 1<sup>st</sup> of the year following completion.

4.2.3. The exemption shall be applied as follows:

- 100% exempt in year one
- 100% exempt in year two
- 100% exempt in year three
- 100% exempt in year four
- Full taxation in year five

## **5. Special Provisions**

### **5.1. Municipal Services**

- 5.1.1. In lieu of a four-year tax exemption, a business may apply the estimated value of the municipal portion of the tax exemption to the municipal costs related to land purchase, or improving or installing municipal services, for example, water and sewer, road upgrades, paving, etc.
- 5.1.2. The resulting increase in municipal tax revenue from the property will be applied to the costs incurred by the municipality for a four-year period.
- 5.1.3. The costs associated for the provision of services, shall not exceed the municipal tax revenue for the incentive period.

## **6. Commercial Renovation Policy for Existing Vacant Buildings**

- 6.1. Council may approve an exemption of taxes, for a period of up to six months, while a business is renovating an existing building.
- 6.2. During the period of exemption, commercial activity shall not take place on the property.
- 6.3. Each request shall be presented and approved by Council on an individual basis.

## **7. Commercial Renovation Policy for Occupied Buildings**

- 7.1. Council may approve any partial or full exemption of taxes based, for a period of time of up to six months, while an existing business is operating within a building that is under renovation.
- 7.2. The renovation must result in an increase of assessment.
- 7.3. Each request shall be presented and approved by Council on an individual basis.