



Municipality of Crowsnest Pass Policy

Policy No.:	1705-01
Policy Title:	Targeted New Development/Re-Development Incentive Policy
Approval Date:	December 15, 2015
Revision Date:	
Department:	Finance and Corporate Services

1.0 PURPOSE

The Council of the Municipality of Crowsnest Pass has a broad mandate to provide good government, develop and maintain a safe and viable community, and to supply desirable and/or necessary services to the community. The purpose of this policy is to promote multi-scale projects involving the construction of new or New Development/Re-Development of non-residential commercial, industrial, office, retail and mixed-use buildings and business that lead to a significant and ongoing enhancement to the assessment base generated in the Municipality as a whole.

2.0 STATEMENT

It is the policy of the Municipality of Crowsnest Pass to establish a 5-year municipal tax cancellation policy to provide an incentive for the construction of major commercial/office/retail and mixed-use projects that lead to significant and ongoing enhancement of the assessment base generated in the Municipality.

3.0 DEFINITIONS

- a. Municipal Area: means the area of the Municipality of the Crowsnest Pass bounded by the boundaries of the Municipality.
- b. Assessment Value: is calculated as follows:
Current Assessment Year Value after construction.

4.0 ELIGIBILITY CRITERIA

In order to qualify for Tax Reduction or Exemption, a project shall meet the following criteria:

- a. Qualified projects shall be located within the Municipality.
- b. Projects shall consist of new/re-development projects at or exceeding building construction value only, at or exceeding \$ 500,000 (Five Hundred Thousand CDN) in building construction value.
- c. Land Value Assessment will not be included in the policy.
- d. New construction must meet all applicable building safety codes development requirements and comply with Land Use Bylaw requirements.
- e. Project(s) must receive development permit and applicable construction permits approvals.
- f. Eligibility for this policy is typically based on new construction, but may apply to major renovation to existing structures.

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- g. Properties that are owned by the Crown in right of Alberta or Canada or any other body that is exempt from taxation are ineligible.
 - h. Funding will not be granted for projects which have commenced prior to being approved.
 - i. Only the registered owner(s) of the property, at the time of commencement of the building construction project approval, is/are eligible for the municipal tax cancellation.
 - j. A property must not be in arrears in taxes, municipal utilities or any other municipal charges.
 - k. Applies only to the municipal portion of the tax levy not the School portion of the Tax Levy and all requisitions shall be payable by the person or entity liable for the property tax.
 - l. Projects that qualify under this program are ineligible for any other Municipality Funding Program.

5.0 AWARDING OF TAX CANCELLATION

- a. Eligible properties are entitled to a municipal property tax cancellation equal to the municipal tax only on the structure.
- b. The maximum municipal tax cancellation benefit for each approved building construction project shall be no greater than \$50,000 (CDN) annually over the 5-year period.
- c. The municipal tax cancellation for an eligible property will commence on the first full tax year after the building has been approved for occupancy and shall cease at the end of the fifth year.

6.0 ROLES AND RESPONSIBILITIES

Municipal Council to:

- a. Approve the appropriate level of funding through the annual cancellation of the municipal tax only in accordance with this policy.
- b. Review and evaluate the program outcomes and make amendments if deemed necessary.
- c. Promote the Targeted New Development/Re-Development Incentive Program, provide advice and assistance to potential policy applicants.

Administration to:

- a. Coordinate policy administration, application and reporting processes.
- b. Calculate the additional assessment and municipal property taxes resulting from the completion of eligible New Development/Re-Development projects.
- c. Forward an application form to the taxpayer for each property that may qualify for a municipal tax cancellation under this policy prior to the passage of the annual property tax bylaw.
- d. Advise Municipal Council of the number of applications and the estimated amount of municipal tax cancellations requested for that year.
- e. Submit to Municipal Council after the passage of the annual property tax bylaw:
 - i. A list of properties qualifying for municipal tax cancellations for which new applications have been received;

- ii. A list of properties for which applications for municipal tax cancellations have been received but which do not qualify; and
- iii. A list of properties for which municipal tax cancellations have previously been approved;
- iv. To establish a separate budget item in each year's budget to show the municipal tax cancellations approved under this policy.

Applicant to:

- a. Have a documented majority ownership interest in the property to be constructed.
- b. Submit an application to the Municipality no later than December 31 of the year prior to which the municipal tax cancellation is requested.

7.0 PROCEDURE

- a. The municipal tax cancellation for an eligible property will commence on the first full tax year after the building has been approved for occupancy and shall cease at the end of the fifth full tax year.
- b. On achieving the maximum tax cancellation benefit of \$250,000 (CDN) the municipal tax cancellation shall cease for such properties.
- c. If the subject property is subdivided by a registered plan, the project remains eligible for municipal tax cancellation as long as the registered owner(s) at the time of commencement of the building construction do not change. Upon transfer of ownership, the municipal tax cancellation shall cease.
- d. In the event of a phased construction project, the municipal tax cancellation shall commence when the initial phase is approved for occupancy only if that phase has a minimum construction value of \$ 500,000 (Five Hundred Thousand CDN). If the \$ 500,000 (CDN) construction value is not reached in the initial phase, the municipal tax calculation will commence after the phase when the \$ 500,000 (CDN) minimum is reached and is approved for occupancy.
- e. Upon acceptance of an individual application by Council the applicant and the Municipality will enter into an agreement for the tax cancellation as outlined in this policy.
- f. Once a property has received Municipal Council approval for a municipal tax cancellation, the taxpayer shall be deemed to have applied for a cancellation in each subsequent eligible year, to a maximum of 5 years.
- g. The Municipality may stop the cancellation of municipal taxes that have been deemed eligible under this policy:
 - i. On the written request of the Property Owner; or
 - ii. At any time, if the Property Owner breaches or does not fully satisfy any of the obligations and conditions in this policy, as determined by the Municipality acting reasonably, effective immediately upon delivery of a notice to the Property Owner of the intention to stop the cancellation of municipal taxes.
- h. In the event that the Property Owner does not meet the obligations of this policy, the Property Owner will pay to the Municipality municipal property taxes for any period during which the obligations were not in fact met, calculated pro rata based on the annual amount of municipal taxes that would have been payable but for the Tax Cancellation; and any municipal property taxes owing and not paid by December 31 of the taxation year, become taxes in arrears and subject

to payment guidelines in accordance with the *Municipal Government Act* and Municipal Bylaws.

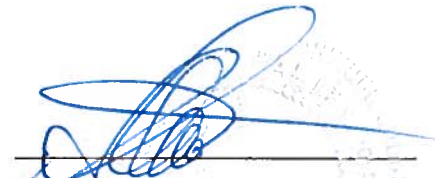
8.0 REFERENCES

- *Municipal Government Act*
- *Municipality of Crowsnest Pass Targeted New Development/Re-Development Incentive Program Application Form*

9.0 REVISION HISTORY

December 31, 2015 - New Policy (Targeted New Development/Re-Development Incentive Policy)

MUNICIPALITY OF CROWSNEST PASS



Sheldon Steinke
Chief Administrative Officer
Sheldon Steinke, CLGM
Chief Administrative Officer

16/12/2015
Date