



## Municipality of Crowsnest Pass Policy

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| Policy No.:        | 1705-02  |
| Policy Title:      | Targeted New Development/Re-Development Incentive Policy |
| Approval Date:     | September 29, 2020                                       |
| Revision Date:     | September 1, 2020  |
| Supersedes Policy: | 1705-01  |
| 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/Re-Development of nonresidential buildings and businesses that lead to a significant increase to the overall assessment base.

### 2.0 STATEMENT

It is the policy of the Municipality of Crowsnest Pass to establish a 2-year municipal tax reduction policy to provide an incentive for the construction of major commercial/office/retail and mixed-use projects that lead to significant increase to the assessment base generated in the Municipality.

### 3.0 DEFINITIONS

**“Municipal Area”** means the area of the Municipality of the Crowsnest Pass bounded by the boundaries of the Municipality.

**“Assessment Value”** is calculated as follows: Current Assessment Year Value after completion of construction.

### 4.0 ELIGIBILITY CRITERIA

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

- a. Qualified projects must be located within the Municipality.
- b. Projects shall consist of new/re-development projects with a building construction cost at or exceeding \$ 100,000 (One Hundred Thousand CDN) in value.
- c. The assessed Land Value is not eligible for inclusion 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.
- 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 reduction.
- 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 REDUCTION**

- 5.1 Eligible properties are entitled to a municipal property tax reduction up to the municipal tax component for the structure.
- 5.2 The maximum municipal tax reduction benefit for each approved building construction project shall be no greater than \$50,000 (CDN) annually.
- 5.3 The municipal tax reduction 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 second year.
- 5.4 If the subject property is subdivided by a registered plan, the project remains eligible for municipal tax reduction if the registered owner(s) at the time of commencement of the building construction do not change. Upon transfer of ownership, the municipal tax.
- 5.5 In the event of a phased construction project, the municipal tax reduction shall commence when the initial phase is approved for occupancy only if that phase has a minimum construction value of \$100,000 (One Hundred Thousand CDN). If the \$100,000 (CDN) construction value is not reached in the initial phase, the municipal tax reduction will commence after the phase when the \$100,000 (CDN) minimum is reached and is approved for occupancy.
- 5.6 Upon acceptance of an individual application by Council the applicant and the Municipality will enter into an agreement for the tax reduction as outlined in this policy.

- 5.7 Once a property has received Municipal Council approval for a municipal tax reduction, the taxpayer shall be deemed to have applied for a reduction in the subsequent eligible year.
- 5.8 The Municipality may stop the reduction of municipal taxes that have been deemed eligible under this policy:
- a. On the written request of the Property Owner; or
  - b. 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 reduction of municipal taxes.
- 5.9 In the event that the Property Owner does not meet the obligations of this policy, the Property Owner will pay to the Municipality the municipal property taxes for any period during which the obligations were not met, calculated pro rata based on the annual amount of municipal taxes that would have been payable, 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.

## **6.0 ROLES AND RESPONSIBILITIES**

- 6.1 Municipal Council to:
- a. Approve the appropriate level of funding through the annual reduction 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.
- 6.2 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. Advise Municipal Council of the number of applications and the estimated amount of municipal tax reductions requested for that year.
  - d. 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;

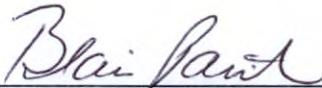
6.3 Applicant to:

- a. Have a documented majority ownership interest in the property to be constructed.
- b. Submit an application to the Municipality prior to start of construction for consideration of eligibility.
- c. Notify Municipal Taxation Officer after all Development and Building permit conditions have been met.

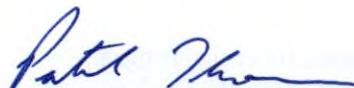
**7.0 REFERENCES**

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

**MUNICIPALITY OF CROWSNEST PASS**

  
\_\_\_\_\_  
Mayor

October 1, 2020  
Date

  
\_\_\_\_\_  
Chief Administrative Officer

October 1, 2020  
Date