

Town of Esterhazy
Commercial/Industrial Development Tax Incentive Bylaw
Bylaw No. 758-19

The Council of the Town of Esterhazy, in the Province of Saskatchewan, enacts the following:

1. Purpose

This Bylaw is intended to provide the framework for Council to promote Economic Development by stimulating commercial/industrial development in the Town of Esterhazy through the use of property tax exemption agreements.

The Town of Esterhazy supports a Business Tax Incentive Bylaw to achieve the Community objectives:

- a) To increase and diversify employment opportunities within Esterhazy
- b) To encourage businesses to locate or expand their operations in Esterhazy
- c) To make Esterhazy an attractive locale for foreign and domestic investment and development
- d) To improve the Town of Esterhazy's competitive position
- e) To demonstrate the Town of Esterhazy's commitment to business and industry

2. Definitions

Applicant – means the business enterprise, existing or new, applying for a development tax incentive.

Building – means a building as defined in the National Building Code of Canada.

Business – means any business that is commercially assessed by Saskatchewan Assessment Management Agency.

Commercial Business – means any business subject to commercial taxation.

Council – means the Council of the Town of Esterhazy.

Improvements – means the erection of a new building or structure on a bare land commercial/industrial parcel, or additions to an existing building or structure on a commercial/industrial parcel.

Increased Assessed Value – means the amount of new improvement assessment value on field-sheets produced by SAMA

Tax Abatement – the reduction of or exemption from taxes granted by a government for a specified period.

Tax Exemption – means tax abatement applied to improvements on land that was subdivided into multiple lots for commercial/industrial development purposes.

Special Circumstances – means the criteria and factors associated with a unique development applying for a tax exemption. Council shall consider the tax exemption application on its own merit, on a case-by-case basis. This type of request for tax exemption shall be entirely at the discretion of Council.

3. Selection Criteria

Council will consider the following selection criteria when reviewing an application for business tax incentive

- a) The impact the business development will have on the Town of Esterhazy
- b) Potential direct and spin-off job creation as a result of the development
- c) The increased business services or products available
- d) Esthetic improvements to land or property the development will bring
- e) Other factors

4. Incentives

At the discretion of the Town of Esterhazy, one of the following tax incentive scenarios may be granted:

- a) Abatement of the portion of municipal tax and base tax for 3 years starting on date of purchase of land for new Commercial/Industrial businesses within the Town of Esterhazy.
- b) Abatement of the portion of municipal tax and base tax for 3 years starting once building permit has been approved by the Economic Development Director for Expansion/Additions for existing commercial businesses located within the Town of Esterhazy.
 - i. Year 1 – 100%
 - ii. Year 2 – 75%
 - iii. Year 3 – 50%

5. Application of the Exemption

Council may provide a property tax exemption to the increased assessed value (improvements) based on new construction on bare land or expansion to an existing site.

- a) The tax abatement is for the municipal portion only on the taxes of New Commercial & Industrial construction
- b) The tax abatement is for the municipal portion only on the new expansion portion only of additions. This does not include original portion of the business.
- c) The minimum amount of a qualified tax abatement for New Commercial/Industrial business is if the land and/or building total increase is more than \$150,000.00
- d) The minimum amount of a qualified tax abatement for Expansion/Additions for Commercial/Industrial Construction is the value of construction must be no less than \$150,000.00
- e) The incentive will not be entered on the tax roll until the portion of taxes not eligible for abatement is paid. If taxes due are not received by December 31 of the current year, the incentive will not be granted for the following calendar year.
- f) Each property can access only one tax incentive per property at a time and can only apply for a different incentive once the duration of the current incentive has lapsed.
- g) A tax abatement agreement must be approved by Council for execution and signed by the property owner prior to annual levy.
- h) The incentive is valid only if the business remains in operation. In the event the business closes within the period of the agreement, the tax concession shall immediately become null and void.
- i) Full compliance with all of the Town of Esterhazy Zoning Bylaw, the official Community Plan, Building Bylaw, Fire Safety Act, and the National Building Code shall be required. Failure to submit required documents by the property owner or his/her agent shall result in the forfeit of all rights to the Exemption provided in this Bylaw.
- j) All required Development Permits, Demolition Permits and Building Permits must be completed and approved by the Town of Esterhazy.
- k) All outstanding accounts (receivable, utility, tax, etc.) with the Town of Esterhazy must be paid in full before the Exemption will be granted, and must be fully maintained during the Exemption Period

6. Evaluation

a) Application:

A person or business requesting a tax incentive for a commercial or industrial development shall complete the application form attached as Appendix A, to the best of their knowledge and ability.

All Tax Incentive applications must be submitted with the Development/Building Permit Application.

b) Confidential:

The application form shall be confidential and shall not be disclosed to the public. The information shall be used solely by the municipality to confirm the application meets the criteria and intent of this bylaw;

c) Ineligible :

No tax abatement will be granted where an existing business, building or structure is moved from one location to another within the Town of Esterhazy unless the total business area, building size or structure size increases in value by \$150,000.00.

7. Exclusions

The Municipality will not normally consider providing a tax exemption in the following situations:

a) Existing Business

Tax exemptions will not normally be provided to:

- New owners of an existing business as the business are established.
- New businesses that are renting or leasing commercial space from a landlord.

b) Home Based Business:

Home Based Businesses will not be considered for inclusion under the bylaw.

c) Municipal Discretion

The Municipality may not provide such tax exemptions where it is believed it is not in the best interest of the public and where it does not enhance the economic progress of the community.

8. Agreement

A Business tax incentive exemption will be provided by agreement between the applicant and the Town of Esterhazy. The applicant shall abide by all terms and conditions of the agreement in order to receive the incentive.

Exemptions will be applied for new development on the date of purchase of the land or building.

Exemptions will be applied for expansion portion of the business on the date of the approval of building permit.

Tax Exemptions may be rescinded:

- If the development is not completed within the specified timeframes on application and building permit;
- The development changes from its intended use as noted in the application;
- The information provided in this applications is fallacious or misleading; and
- If any taxes and fees are in arrears.

9. Authorization

The Economic Development Director and Mayor are authorized to sign tax exemption agreements together once the tax exemption has been approved and passed by the Town of Esterhazy Council.

10. Repeal

The tax exemption may be repealed at any time with 30 days' notice at the Economic Development Officer's discretion. Circumstances where the tax exemption agreement may be repealed include but are not limited to:

- The applicant failing to complete their project or improvements as specified in the application or having an expired development permit;
- The applicant not undertaking the business activity or providing services as detailed in their application as the intended use;
- Providing fallacious or misleading information in the application for an economic development tax rebate;
- Failure to comply with any of the terms specified in the application and subsequent agreement; and
- If any taxes and fees become in arrears.

11. Adoption

This Bylaw will come into force and take effect on the 9th day of October, 2019

Municipal Adoption

1st Reading: 9th October, 2019

2nd Reading: 9th October, 2019

Read a third time and adopted
This 9th day of October, 2019



[Signature]
Mayor

[Signature]
Acting
Administrator

Town of Esterhazy

Any business that wishes to access the Commercial/Industrial Development Tax Incentive bylaw will be required to complete the following Application for Commercial/Industrial Development incentive. This will outline the nature of the expansion or new construction.

Once the application is received by the Town of Esterhazy Economic Development Director, the application will be reviewed and presented to Council. Should the request be approved a letter to the business, indicating that the increased assessment, due to the new or expanded project will be granted exemptions based on the appropriate bylaw.

Prior to any construction, all necessary provincial and municipal permits (i.e. development permit, demolition permit, building permit) will be required.

**** Please Print ****

Business Name: _____

Business Owner: _____

Mailing Address: _____

Phone Number: _____ Fax Number: _____

E-mail Address: _____

Business License Number: _____ Building Permit Number: _____

Legal Land location: Lot _____ Block _____ Plan No. _____

Type of Construction :

New Building

Addition to Existing Building

Estimated Construction Cost: _____

Start Date: _____ Completion Date: _____

Description of Business: _____

Please check which incentive you are applying for:

Expanding Business Incentive Bylaw

New Business Incentive Bylaw

Office Use Only - Application Date _____ Administrator _____

Roll # _____ Permit # _____ Permit Expiry date _____

Council Motion # _____ Administrator Signature _____

CONFIDENTIAL

Declaration of Applicant

I, _____ of the _____

In the Province of Saskatchewan, solemnly declare that all the above statements contained within the Application are true, and I make this solemn declaration conscientiously believing it to be true, knowing that it is the same force and effect as if made under oath, and by the virtue of "The Canada Evidence Act".

I certify that the above information is true and accurate to the best of my knowledge. I understand that knowingly providing false information will nullify and void any Commercial/Industrial Development Tax Incentive Agreement with the Town of Esterhazy

Date: _____ Name of Business: _____

Owner of Business Name: _____

Signature of owner: _____

Witness Name: _____

Signature of Witness: _____