

Policy: Business Incentive Program

Section: Community Development

Policy #2020-04

Resolution #173-20

Effective Date: June 9, 2020

BACKGROUND

The Business Incentive Program provides grant incentives to enhance economic development by encouraging private sector investment in new business construction, expansion, and improvements within the Gilbert Plains Municipality.

Eligible Improvements

1) New Business Construction

The Municipality will provide a three year incentive for new business construction as follows:

First Year: A grant in the amount equivalent to 100% of land and building taxes.

Second Year: A grant in the amount equivalent to 50% land and building taxes.

Third Year: A grant in the amount equivalent to 25% land and building taxes.

The first year is the year in which the business has been issued an Occupancy Permit.
The business owner must own the land being developed.
The grant will be calculated based on municipal taxes.

2) New Business Established in an Existing Building

The Municipality will provide a three year tax incentive for new business owners. The incentive offered is as follows:

First Year: A grant in the amount equivalent to 50% land and building taxes.

Second and Third Year: A grant in the amount equivalent to 25% land and building taxes

The new business owner must own the land and building.
The grant will be calculated based on municipal taxes.

3) Business Renovation Incentive

Any owner of commercial property may apply for a business renovation incentive.

The Municipality will provide a rebate to a business completing renovations or expansions of their commercial improvements. The rebate will be based on the increased assessment value resulting from expansion/renovation. The incentive offered is as follows:

First Year: Grant equivalent to 100% of the incremental increase in taxation resulting from renovation or expansion.

Second Year: Grant equivalent to 50% of the incremental increase in taxation resulting from renovation or expansion.

Third Year: Grant equivalent to 25% of the incremental increase in taxation resulting from renovation or expansion.

A written explanation and pictures of the renovations or expansions must be submitted with copies of paid invoices alongside application for the rebate. The rebate will be applied against the municipal tax levy in the year following the completion of the renovations. If the application of the rebate results in a credit on the property tax account, the credit will remain on the tax account of the property and is non-refundable.

A business may apply for a business renovation incentive once every three years.

4) Storefront Improvement Incentive

Any owner of commercial property located on Main Street may apply for a storefront improvement incentive.

The Municipality will provide a rebate to a business completing improvements to the exterior of their commercial improvements. The incentive is a reimbursement program and will provide funding for 50% of costs to maximum of a \$3,500.00 payout.

A written explanation and pictures of the renovations or expansions must be submitted with copies of paid invoices alongside application for the rebate.

Conditions of Business Incentive Program

1. In order to be eligible for the grant, the titleholder must generate a higher business assessment.
2. Commercial incentives granted shall be conditional to that business being in active operation. 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. Council reserves the right to approve each incentive package individually and customize incentives to any specific project when investment dollars of the commercial improvements exceed \$400,000.00.
4. Businesses must be subject to commercial taxation.
5. Each commercial property receiving an incentive is required to submit an annual report to Council confirming that the terms of the incentive are being met.
6. Council, by means of a resolution passed during a regular Council meeting, reserves the right to suspend the program at any time.
7. In each applicable year the full amount of annual taxes payable and water and sewer accounts must be paid prior to grant approval. Any overdue accounts with the Municipality during the period eligible for the grant will result in immediate loss of eligibility to continue with the program.
8. To qualify for the grant program all applicants must have obtained a Building Permit with the Municipality prior to construction commencing and have been issued an Occupancy Permit. The Occupancy Permit date will be considered in the application process.
9. It is the sole responsibility of the titleholder to request the grant in writing from the Municipality. If a request is not received within the application period, the Municipality is under no obligation to consider eligibility for the grant program. For sake of clarity, the Municipality will not consider grant eligibility retroactively.
10. Grant application approval will occur after the titleholder's application has been approved by resolution of the Municipality Council. A Letter of Agreement signed by the titleholder and the signing officers of the Municipality shall complete the application process.
11. Council will only consider one incentive per applicant at a time.

Exclusions from the Business Incentive Program

Council will not normally consider providing an economic development grant to the following situations:

1. Applications for grants will not be approved on a retroactive basis after the applicant has paid for and received their building permits for the new commercial development.
2. Grants will not normally be provided to new businesses that are renting or leasing commercial space from a landlord

3. Home-based businesses will not be considered for inclusion under the bylaw
4. Council may notwithstanding, provide such grants where it believes it is in the public interest and enhances the economic progress of the community. Council reserves the right to approve each grant individually and to customize to any specific project.

Business Incentive Program Application

APPLICANT INFORMATION

Incentive Applied For : _____

Date: _____

Applicant Name: _____

Contact Person: _____

Street Address: _____

Mailing Address: _____

Telephone Number: _____

Email Address: _____

PROJECT DESCRIPTION

Description of Proposed Improvements:

(Provide further information in an attached document if required)

Attached please include:

- Required documentation (occupancy permit, building permit, copies of paid invoices)
- Drawings/plans for proposed improvements

FUNDING REQUESTED

Total Estimated Cost of Improvements: _____

Please attach a detailed cost breakdown.

Amount of Funding Requested: _____

50% of construction costs up to a maximum grant of \$3,500