

MUNICIPALITY OF LOUISE

BY LAW # 2019-08

DEVELOPMENT INCENTIVES

Being a By-law of the Municipality of Louise to establish a development incentive program to attract new residents and business, to encourage existing residents and businesses to remain and encourage new residential, commercial and industrial development.

Whereas section 261.2(1) of the Municipal Act of Manitoba provides that a Council may by By law establish financial assistance programs;

And whereas Section 261.2(2) provides that a financial assistance program may include provisions establishing the terms and conditions under which financial assistance may be provided or terminated, including criteria for eligibility and the year(s) during which financial assistance may be paid out or applied;

And whereas Council is of the opinion that establishing a financial assistance program is advisable and in the public interest;

Now therefore, the Municipality of Louise in Council duly assembled enacts as the following:

Part 1 – Short title, purpose, application and definitions

1.1 Short title

This By law may be referred to as the Development Incentives By law

1.2 Purpose

The purpose of this By law is to provide for taxation incentives for new multiple-use residential development and new, or expanding, commercial or industrial developments, thus demonstrating the Municipality of Louise's commitment and readiness to invest in the development of the community.

1.3 Application

This By law applies to the whole of the Municipality of Louise.

1.4 Definitions

Calendar year – 1 January to 31 December

Developer – means a person, agency or company that is responsible for constructing or renovating a structure on a property within the Municipality of Louise.

Expansion – Additional square footage constructed onto a structure which enlarges the footprint of the structure

Financial assistance – means a tax credit for municipal taxes

Full assessment value – value of structure as determined by MB Assessment Branch after substantial completion.

Incremental assessed value – the difference in assessed value of a property during the base year and the assessed value including improvements following development

Multiple-unit residential development – for the purposes of this By law shall mean a new construction project consisting of four (4) or more residential dwelling units

Municipal taxes – means the property taxes imposed for municipal purposes but excluding debentures, special levies and school division taxes

Registered owner – means a person that holds the title to the property as registered within the Morden Land Titles office.

Substantial completion – a development or structure ready for occupancy and having received an assessment value from the Manitoba Assessment Branch

Supplementary taxes – taxes added to the tax roll as a result of an assessment value being applied by the Manitoba Assessment Branch

Part 2 – Criteria

Eligible developments

- 2.1 New multiple-unit residential developments constructed as a permanent building
- 2.2 New construction of commercial or industrial structures
- 2.3 Expansion of existing commercial/industrial structures (incentive only applies to the value of the square footage added to the existing structure)
- 2.4 Development projects that have not received other infrastructure or financial incentives for the construction activity being considered
- 2.5 Replacements of existing structures may be considered eligible if the incremental assessed value or difference between the assessment of the new structure and the structures being replaced meets the guidelines under Section 2.12 or 2.13
- 2.6 Interior alterations or renovations may be considered eligible if they serve to increase the taxable assessment of the improvement as per Section 2.12 or 2.13
- 2.7 All development must comply with building code standards and applicable By laws

Program details

- 2.8 All eligible development must result in a net increase in the property's assessment as determined by Manitoba Assessment and associated municipal taxes
- 2.9 The tax credit will be calculated on the incremental assessment portion only. Assessment on the rolls prior to new construction or expansion shall not be used in the calculation of a tax credit.
- 2.10 The incentives program is available to developments that achieve substantial completion status in 2020 or later
- 2.11 Properties that have taxes or other charges outstanding are not eligible for incentives

Types of tax incentives

- 2.12 Multiple-unit residential progressive tax incentive (4 or more dwelling units)
Developers will be eligible to receive a progressive tax credit on municipal taxes. Over a period of three (3) years for constructing a new multiple-unit residential zoned property that increases the current assessed value of the property by a minimum of \$500,000. The breakdown for the incentive shall be as follows –

Year 1 = Total general municipal taxes @ 75% reduction

- Year 2 = Total general municipal taxes @ 50% reduction
- Year 3 = Total general municipal taxes @ 25% reduction
- Year 4 = Full taxation rates apply.

2.13 Commercial and industrial tax incentive

a) To encourage additional construction or expansion of an existing commercial or industrially zoned property that increases the assessment value of the property by a minimum of \$100,000 business owners will be eligible to receive tax credit incentives over a period of five (5) years as follows:

- Year 1 = Total supplemental municipal taxes @ 80% reduction
- Year 2 = Total supplemental municipal taxes @ 60% reduction
- Year 3 = Total supplemental municipal taxes @ 40% reduction
- Year 4 = Total supplemental municipal taxes @ 20% reduction
- Year 5 = Total supplemental municipal taxes @ 10% reduction
- Year 6 = Full taxation rates apply

b) To encourage large industry and manufacturing businesses to locate, operate and provide employment within the Municipality of Louise, development that increases the assessed value of a property by a minimum of \$500,000 will be eligible to receive tax credit incentives over a period of five (5) years as follows:

- Year 1 = Total supplemental municipal taxes @ 80% reduction
- Year 2 = Total supplemental municipal taxes @ 60% reduction
- Year 3 = Total supplemental municipal taxes @ 40% reduction
- Year 4 = Total supplemental municipal taxes @ 20% reduction
- Year 5 = Total supplemental municipal taxes @ 10% reduction
- Year 6 = Full taxation rates apply

Eligibility for commercial and industrial incentives, under this section, shall be limited to one of a) or b) as determined following substantial completion.

Part 3 – Process
Administration

- 3.1 Registered property owners shall submit a complete application, including any required documentation, in the form of Schedule 'A' to the Municipality of Louise, prior to completion of construction, but no later than 31 December in the year of substantial completion, in order to qualify for the program. If the application is proven to be accurate, the developer will be granted the tax incentive request.
- 3.2 Any applicable tax incentive will be applied once the property is added to the current assessment roll of the Municipality by Manitoba Assessment Branch and applied directly against the tax roll in each of the qualifying year.
- 3.3 In the event that there is a dispute regarding eligibility for the program and/or the credit amount available, the decision of the Council of the Municipality of Louise shall be final.
- 3.4 In order to provide maximum program benefits to the applicant, the incentive shall be by calendar year beginning the year immediately following substantial completion of the development. Supplementary taxes incurred during the year construction is substantially completed will be levied and shall be the responsibility of the registered property owner.

(For example a development that is substantially complete anytime in 2020 will incur applicable supplementary taxes for 2020 with full incentive benefits starting with the 2021 taxation year)

General

- 3.5 In instances whereby a property under construction is transferred or sold, the tax incentives will accrue to the new owner of the said property.
- 3.6 Property tax accounts must be in current status at the time of application and throughout the duration of the incentive program. Failure to keep an account current may result in discontinuing the agreement and full taxes being due and payable.
- 3.7 The Municipality of Louise recognizes that dependent on circumstances, a development opportunity may occur in proximity to the boundary of the Municipality of Louise which will have significant economic impact on the Municipality of Louise. Henceforth the Municipality reserves the right to consider incentives that may give rise to a special cost sharing arrangement with the developer and/or the respective municipal jurisdiction for necessary services or infrastructure and may include consideration for tax revenue sharing with the adjacent municipal jurisdiction.

Part 4 – Coming into force

- 4.1 This By law shall come into force and take effect on the day following its passage.

Done and passed in Council, duly assembled at the LUD of Crystal City, in the province of Manitoba this 18th December 2019

MUNICIPALITY OF LOUISE



Reeve



Chief Administrative Officer

Read a first time this 4th day of December 2019
Read a second time this 18th day of December 2019
Read a third time this 18th day of December 2019

MUNICIPALITY OF LOUISE
DEVELOPMENT INCENTIVES APPLICATION - BY LAW 2019-08

| | |
|-------------------------------------|--|
| Registered owner | |
| Applicant (if different) | |
| Mailing address | |
| Civic Address | |
| Legal description | |
| Title | |
| Roll # | |
| Most recent assessed value | |
| Date of application | |
| Description of proposed development | |
| Please attach site sketch | |

| | |
|----------------------------|--|
| SCPD building permit # | |
| OFC file # (if applicable) | |

I hereby acknowledge that the development incentives under the authority of By law 2019-08 shall only be issued by the Municipality of Louise if the property owner is in compliance with all the program criteria

| | |
|-----------|--|
| Signature | |
| Date | |

Office use

| | |
|-------------------------|--|
| Application # | |
| Date received | |
| Approved Yes / No | |
| Date of Council meeting | |
| Resolution # | |
| CAO signature | |