



Town of Indian Head Commercial Incentive Policy

DEFENITIONS:

For the purpose of this policy:

- a) "Improvements" shall mean any building or structure that is assessable for the purposes of property taxation;
- b) "Commercial" shall mean a property located within an area that is currently zoned or is about to be zoned as C1 – Downtown Commercial, C2 Highway Commercial, or M1 Light Industrial.

P U R P O S E :

1. Stimulate commercial expansion and new commercial development within the Town of Indian Head.
2. Increase the long term commercial assessment in Indian Head.
3. Job creation.

Each commercial property may only qualify for one of the incentives.

1. NEW BUSINESS CONSTRUCTION

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

- First Year: 50% land and building tax exemption
- Second Year: 75% land and building tax exemption
- Third Year: 100% land and building tax exemption

* The first year is the year in which construction of the new business is commenced.

* The business owner must own the land being developed.

* Tax exemption includes both municipal and school portions.

2. NEW BUSINESS ESTABLISHED IN AN EXISTING BUILDING

The Town will provide a three year tax incentive for the new business owner. The incentive offered is as follows:

- First Year: 25% land and building tax exemption
- Second Year: 25% land and building tax exemption

- Third Year: 50% land and building tax exemption

* The business owner must own the land and buildings.

* Tax exemption includes both municipal and school portions.

3. BUSINESS EXPANSION INCENTIVE

The Town will provide a three year tax incentive for new construction, approved by the Town, of an existing business which increases the physical space of the commercial improvements, provided that the increase in gross assessment is greater than \$25,000.00. The incentive includes addition to an existing commercial building or the replacement of an existing commercial building, where the business in the building will remain the same. The incentive offered is as follows:

- First to Third Year Inclusive: 50% exemption of incremental increase of improvement assessment resulting from expansion.

*The first year is the year following completion of construction.

*Incentive shall apply only to the amount of the increase in the assessed value that said expansion causes.

4. BUSINESS RENOVATION INCENTIVE

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

The Town will provide a rebate to a business completing a minimum of \$5,000.00 in renovations of their commercial improvements. The rebate will be based on the cost of the renovations calculated at a rate of 10% of the costs to a maximum rebate of \$1,000.00. A written explanation and pictures of the renovations must be submitted with copies of paid invoices as application for the renovation 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 five years.

5. NEW BUSINESS ESTABLISHED IN A RENTAL/LEASED SPACE

The Town will provide a \$500 grant to a new business that is established in a rental/leased space. The grant may only be received once and must be put toward business expenses (ie. Rent, inventory, advertising etc.).

*Only businesses located in commercial areas (C1, C2, or M1) are eligible for this grant.

CONDITIONS FOR COMMERCIAL INCENTIVES

- 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.
- Each application for a tax concession will be considered by Council, and may be rejected. Council may enter into Agreements other than those listed in the policy, at its' discretion. Council's decision shall be considered final. Council reserves the right to approve each incentive package individually and customize incentives to any specific project.
- 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.
- Concession applications must be received within one year from the date of title transfer for incentive one and two.
- Concession applications must be received within six months following completion of construction for incentive three and four.
- Grant applications must be received within in six months of the businesses opening for incentive five.
- Applications for tax concessions shall originate with the property owner, and shall be sent to the Town, in writing. Only one application shall be considered in a calendar year (January 1 - December 31).
- Frontage tax is not eligible for any concession whatsoever.
- Each tax concession granted will be in the form of a resolution or bylaw of Council.
- No tax concessions will be granted where an existing business, building or structure is moved from one location to another within the Town unless the total business area, building size or structure size increases; in which case, incentive three may apply.