

TOWN OF NEEPAWA

BY-LAW NO. 3176-17

BEING A BY-LAW OF THE TOWN OF NEEPAWA TO ESTABLISH A DEVELOPMENT INCENTIVE PROGRAM TO ATTRACT NEW RESIDENTS AND BUSINESSES; 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 C.C.S.M. c. M225 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 all efforts must be made to promote development in the municipality to support economic growth;

NOW THEREFORE, the Town of Neepawa in council assembled enacts as the following:

PART ONE: SHORT TITLE, PURPOSE, APPLICATION AND DEFINITIONS

1.0 SHORT TITLE

This by-law may be referred to as the “**Development Incentives By-law**”.

1.1 PURPOSE

The purpose of this by-law is to provide for taxation incentives for new multiple-unit residential development, and new, or expanding, commercial and industrial developments, thus demonstrating the Town of Neepawa’s commitment and readiness to invest in the development of the community.

1.2 APPLICATION

This by-law applies to the whole of the Town of Neepawa.

1.3 DEFINITIONS

Calendar Year – January 1 to December 31

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

Development Agreement – An agreement as determined by the Town of Neepawa in accordance with Section 258(2) of *The Municipal Act*.

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 Manitoba Assessment Branch after substantial completion.

Incremental Assessed Value – the difference in assessed value of a property during the base year & the assessed value including improvements following development.

Multiple-Unit Residential Development – for the purposes of this by-law shall mean a construction project consisting of six (6) 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 Neepawa Land Titles Office.

Substantial Completion – A development or structure ready for occupancy and having received an assessment value from 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 TWO: CRITERIA

Eligible Developments

- 2.0 New multiple-unit residential developments constructed entirely on site.
- 2.1 New construction of commercial/industrial structures.
- 2.2 Expansion of existing commercial/industrial structures (incentive applies only to the value of the square footage added to the existing structure).
- 2.3 Development projects that have not received other infrastructure or financial incentives for the construction activity being considered.
- 2.4 Replacements of existing structures may be considered eligible if the incremental assessed value or difference between the assessment of the new structure and the structure being replaced meets the guidelines under Section 2.13 or 2.14.
- 2.5 Interior alterations or renovations may be considered eligible if they serve to increase the taxable assessment of the improvement as per Section 2.13 or 2.14.
- 2.6 All development must comply with building code standards and applicable by-laws.

Program Details

- 2.7 All eligible development must result in a net increase in the property's assessment as determined by Manitoba Assessment and associated municipal taxes.
- 2.8 Development agreements may be required, depending on the complexity of the development. If applicable, incentives will not be granted until all aspects of the Agreement have been met.
- 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 Town of Neepawa reserves the right to approve or deny eligibility to applicants or developers who have or will receive any other form of financial support, incentives, grants or refunds from any level of government, or agencies thereof.
- 2.11 The incentive program is available to developments that achieve substantial completion status in 2018 or later.
- 2.12 Properties that have taxes or other charges outstanding are not eligible for incentives.

Types of Tax Incentives

2.13 Multiple-Unit Residential Progressive Tax Incentive (6 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 multiple-unit residential zoned property that increases the current assessed value of the property by a minimum of \$750,000.00.

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

2.14 Commercial and Industrial Tax Incentive

- (a) Developers will be eligible to receive a tax credit equivalent to 50% of municipal taxes per year for two (2) years for constructing or expanding a commercial or industrially zoned property that increases the assessment value of the property by a minimum of \$500,000.00.
- (b) To encourage large industry and manufacturing businesses to locate, operate and provide employment within the Town of Neepawa, development that increases the assessed value of a property by a minimum of \$1,000,000.00 will be eligible to receive tax credit incentives over a period of four (4) years as follows:
 - Year 1 = Total municipal taxes @ 80% reduction
 - Year 2 = Total municipal taxes @ 60% reduction
 - Year 3 = Total municipal taxes @ 40% reduction
 - Year 4 = Total municipal taxes @ 20% reduction
 - Year 5 = 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 THREE: PROCESS

Administration

- 3.0 Registered property owners shall submit a complete application, including any required documentation, in the form of Schedule "A" to the Town of Neepawa, prior to completion of construction, but no later than December 31st in the year of substantial completion, in order to qualify for the program. If the application is proven to be accurate, the developer may be granted the tax incentive request.
- 3.1 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 qualifying year.
- 3.2 Building permits must be obtained and approved in support of the development with construction substantially completed within two (2) years of the date of application.
- 3.3 Commercial/industrial businesses must remain in business for the duration of the commercial tax incentive period.
- 3.4 Developments approved under the program will be granted by resolution of Council.
- 3.5 In the event that there is a dispute regarding eligibility for the program and/or credit amount available, the decision of the Council of the Town of Neepawa shall be final.
- 3.6 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 2017 will incur applicable supplementary taxes for 2017 with full incentive benefits starting with the 2018 taxation year.*

General

- 3.7 In instances whereby a property under construction is transferred or sold, the tax incentives will accrue to the new owner of the said property.
- 3.8 Any previous agreements made with the Town of Neepawa remain in effect until expired.
- 3.9 Property tax accounts must be in current status both at the time of agreement execution 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.
- 3.10 The Town of Neepawa recognizes that dependent on circumstances, a development opportunity may occur in proximity to the boundary of the Town of Neepawa, which will have significant economic impact on the Town of Neepawa. Henceforth, the Town 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 FOUR: COMING INTO FORCE

- 4.0 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 Municipal Office in Neepawa, in the Province of Manitoba, this 21st day of November, 2017.



MAYOR
Adrian de Groot



CHIEF ADMINISTRATIVE OFFICER
Colleen Synchshyn

READ A FIRST TIME this 7th day of November, 2017.
READ A SECOND TIME this 21st day of November, 2017.
READ A THIRD TIME this 21st day of November, 2017.

SCHEDULE "A" – Application (By-Law 3176-17)

TOWN OF NEEPAWA	
Development Incentive Application - By-Law 3176-17 <i>(The Municipal Act, Section 261.2(2))</i>	
Registered Owner(s):	
Applicant(s) (if different):	
Civic Address:	
Legal Description & Title #:	
Most Recent Assessed Value:	
Date of Application:	Roll No.:
Mailing Address:	
Phone:	E-Mail:
Please provide a detailed description of the proposed development	
Please provide a detailed site plan or attach separately	
NAPD Building Permit #:	Office of the Fire Commissioner File # (if applicable):
<i>I hereby acknowledge that the development incentives under the authority of By-law 3176-17 shall only be issued by the Town of Neepawa, if the property owner is in compliance with all program criteria.</i>	
Date:	_____ (Signature)

**Please attach copies of Certificate of Title, and Approved Building Permit(s)*

FOR OFFICE USE ONLY			
Application Number:		Date Received:	
Approved		Date of Council Meeting	Resolution Number
Yes	No		
CAO Signature:			

SCHEDULE "B" – Agreement (By-Law 3176-17)

TOWN OF NEEPAWA Development Incentives Agreement									
THIS AGREEMENT made this day of A.D., BETWEEN: Town of Neepawa (First Party) AND <i>Registered Property Owner(s) (Second Party):</i>									
Roll #:	Civic Address:								
Legal Description:									
A development incentive shall be provided to the registered property owner upon meeting all conditions of By-Law 3176-17 pertaining to: Both parties agree that the program criteria and conditions under By-Law 3176-17 must be met to deem this agreement valid, and in respect of same, the following development incentive shall apply:									
Dated at the Town of Neepawa in the Province of Manitoba this day of A.D., <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; text-align: center;"> _____ <i>(Witness)</i> </td> <td style="width: 50%; border: none; text-align: center;"> _____ <i>(Registered Property Owner)</i> </td> </tr> <tr> <td style="border: none; text-align: center;"> _____ <i>(Witness)</i> </td> <td style="border: none; text-align: center;"> _____ <i>(Registered Property Owner)</i> </td> </tr> <tr> <td style="border: none; text-align: center;"> _____ <i>(Witness)</i> </td> <td style="border: none; text-align: center;"> _____ <i>(Mayor - Town of Neepawa)</i> </td> </tr> <tr> <td style="border: none; text-align: center;"> _____ <i>(Witness)</i> </td> <td style="border: none; text-align: center;"> _____ <i>(CAO - Town of Neepawa)</i> </td> </tr> </table>		_____ <i>(Witness)</i>	_____ <i>(Registered Property Owner)</i>	_____ <i>(Witness)</i>	_____ <i>(Registered Property Owner)</i>	_____ <i>(Witness)</i>	_____ <i>(Mayor - Town of Neepawa)</i>	_____ <i>(Witness)</i>	_____ <i>(CAO - Town of Neepawa)</i>
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_____ <i>(Witness)</i>	_____ <i>(CAO - Town of Neepawa)</i>								

FOR OFFICE USE ONLY:			
Registered Property Owner:			
Date	Amount	Approvals	
		Chairman of Finance	CAO
Total	\$0.00		