

**TOWN OF NEEPAWA  
BY-LAW NO. 3233-24**

**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; TO ENCOURAGE NEW RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENT; AND TO DEVELOP SAFE AND LEGAL SECONDARY SUITES**

**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 Town to support economic growth;

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

**PURPOSE AND DEFINITIONS**

1. This by-law shall be known as the “**Development Incentives By-law**” and shall provide taxation incentives for new residential development, and new, or expanding, commercial and industrial developments, thus demonstrating the Town’s commitment and readiness to invest in the development of the community.

2. Unless the context otherwise requires:

**Base Year** – the year prior to the year in which a development is added to the assessment roll.

**Chief Administrative Officer** – the Chief Administrative Officer (CAO) of the Town of Neepawa, or designate.

**Developer** – means for the purposes of this By-Law, a person, partnership, agency, corporation, or company who is the registered owner of a property and is responsible for constructing or renovating a structure on that property, for the sole purpose of profiting from the sale of that developed property.

**Development Agreement** – an agreement as determined by the Town 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 (including land and improvements) & 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 three (3) or more residential dwelling units under a single property title.

**Municipal Taxes** – the property taxes imposed for municipal purposes, but excluding debentures, local improvement plans, special levies and school division taxes.

**Registered Owner** – a person that holds the title to the property as registered within the Neepawa Land Titles Office.

**Secondary Suite** – a self-contained accessory dwelling unit within, or attached to a single-unit dwelling that is owner occupied; or a unit separate from, but on the same lot as a single-unit dwelling. A secondary suite has its own separate cooking, sleeping, and bath/toilet facilities and has direct access to the outside without passing through any part of the single-unit dwelling unit.

**Speculative Home** – a single-unit residential dwelling constructed by a developer according to their specifications without having a buyer or sales order in advance of construction completion, and shall include two-unit residential dwellings that are subdivided by the Developer with a separate title for each unit prior to substantial completion.

**Substantial Completion** – a development or structure ready for occupancy and having received a full assessment value from Manitoba Assessment Branch.

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

**Tax Credit** – the financial assistance grant offered to reduce the payable Municipal Taxes.

## ELIGIBLE DEVELOPMENTS

3. The development of safe and legal secondary suites.
4. New two-unit dwellings, that are not subdivided, and whereby one of the units is owner-occupied.
5. New speculative homes within the Town's boundaries.
6. New multiple-unit residential developments constructed entirely on site.
7. New construction of commercial/industrial structures.
8. Expansion of existing commercial/industrial structures (incentive applies only to the value of the square footage added to the existing structure).
9. Replacements of existing multi-unit residential, commercial or industrial 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 Clauses 24, 25 or 26.
10. Interior alterations or renovations to multi-unit residential, commercial or industrial structures may be considered eligible if they serve to increase the taxable assessment of the improvement as per Clauses 24, 25 or 26.
11. Developments that comply with all applicable provisions of the Town's by-laws and other legislation, including but not limited to the Zoning By-Law, the Property Standards By-Law, the Building By-Law and the Provincial Building Code.

## PROGRAM DETAILS

12. Eligible developments for a secondary suite capital grant incentive must increase the housing stock in Neepawa, and serve the community by providing a safe and legal secondary suite.
13. All eligible developments for tax credit incentives must result in a net increase in the property's assessment as determined by Manitoba Assessment, thereby generating new municipal taxes.
14. Development agreements may be required, depending on the complexity of the development. If applicable, incentives may not be granted until all aspects of the Agreement have been met.
15. The calculation for tax credit incentives will be based on the incremental assessed value only. Assessment on the roll prior to new construction or expansion shall not be used in the calculation of tax credits.
16. The Town 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. **Applicants may only apply for one grant under this by-law, per titled property.**
17. The tax credit incentive program, is available to developments that achieve substantial completion status in 2025 or later. However, in recognition that developments may have, or will qualify, for incentives under By-Law 3176-17, the Town shall continue to recognize the criteria and incentives provided for in By-Law 3176-17 for developments between 2018 – 2024.
18. Property tax accounts must be in good standing at the time of agreement execution and throughout the duration of the incentive program. Properties with outstanding taxes or other charges will not be eligible for an incentive and any failure to keep an account current may result in discontinuing the agreement with full taxes becoming due and payable.

## SECONDARY SUITE CAPITAL GRANT INCENTIVE

19. To encourage property owners to legalize existing unapproved secondary suites, and provide for the development of new secondary suites, the secondary suite capital incentive is a one-time grant to offset some of the costs associated with developing safe and legal secondary suites.
20. Secondary suite incentives are based on the reimbursement of expenses incurred by a property owner, and provides for up to 50% of eligible expenses to a maximum of \$5,000 per property.

## TAX CREDIT INCENTIVES - TYPES

### Two-Unit Owner Occupied Residential Tax Incentive

21. Registered property owners will be eligible to receive a progressive tax credit incentive equivalent to fifty percent (50%) of municipal taxes per year, for a period of two (2) years, for constructing a new two-unit dwelling that is not subdivided, and at least one of the units is owner-occupied.

### Speculative Residential Tax Incentive

22. Developers will be eligible to receive a tax credit for a period of up to twenty-four (24) months, commencing in the year following the base year, and ending at the lesser of twenty-four (24) months, or the date of title transfer when the property is sold, for the construction of a new speculative home that increases the property's assessed value and creates new municipal taxes.
23. Speculative tax credits shall be calculated to equal the municipal taxes for the property after construction is completed, on the incremental assessed value only, prorated on a monthly basis in accordance with the above clause.

### Multiple-Unit Residential Progressive Tax Incentive (3 or more dwelling units)

24. Developers will be eligible to receive a progressive tax credit on municipal taxes, over a period of four (4) years for constructing a multiple-unit residential zoned property that increases the current assessed value of the property by a minimum of \$500,000.00.

The breakdown for the incentive shall be as follows:

Year 1 = Incremental increase on general municipal taxes @ 80% reduction  
 Year 2 = Incremental increase on general municipal taxes @ 60% reduction  
 Year 3 = Incremental increase on general municipal taxes @ 40% reduction  
 Year 4 = Incremental increase on general municipal taxes @ 20% reduction  
 Year 5 = Full taxation rates apply

### Commercial and Industrial Progressive Tax Incentive

#### 25. Incremental increase of a minimum of \$500,000

Developers will be eligible to receive a progressive tax credit equivalent to 50% of municipal taxes per year for a period of 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.

#### 26. Incremental increase of a minimum of \$1,000,000

To encourage large industry and Manufacturing businesses to locate, operate and provide employment within the Town, development that increases the assessed value of a property by a minimum of \$1,000,000.00 will be eligible to receive progressive tax credit incentives over a period of four (4) years as follows:

Year 1 = Incremental increase on general municipal taxes @ 80% reduction  
 Year 2 = Incremental increase on general municipal taxes @ 60% reduction  
 Year 3 = Incremental increase on general municipal taxes @ 40% reduction  
 Year 4 = Incremental increase on general municipal taxes @ 20% reduction  
 Year 5 = Full taxation rates apply

27. Eligibility for commercial and industrial incentives, under this section, shall be limited to one of Clause 25 or 26, as determined following substantial completion.

## **ADMINISTRATION – CAPITAL INCENTIVE – SECONDARY SUITES**

28. Secondary suite projects must be owner occupied, ensuring that the registered owner resides there and is readily available to maintain and manage the property. Pre-approval of a secondary suite project is required to ensure that the secondary suite meets eligibility requirements as per Clause 11.
29. Secondary suites shall not be built in a semi-detached, duplex, townhouse, or apartment dwellings, nor located in areas designated as mobile home parks.
30. Properties with secondary suites cannot be subdivided; cannot have more than one secondary suite and cannot host both a boarding house and a secondary suite.
31. Registered property owners shall submit a completed application in the form of Schedule “A” to the Town, prior to either initiating a new secondary suite project, or for the purposes of bringing one into compliance. If the application is accepted, the property owner may proceed with obtaining the required permits from the Neepawa Area Planning District and shall have a maximum of twelve (12) months from the time of application for the project to be completed to the stage where occupancy is granted.
32. Applications must include a description of the proposed project; an approved development permit/building permit; and a Status of Title issued by the Neepawa Land Titles Office no later than 30 days before the date of application, to qualify for approval under the program. As such, prior to making application for a secondary suite incentive, applicants will be required to schedule a meeting with the Neepawa and Area Planning District office to review their interest and ability to create a secondary suite, or to legalize an unapproved suite.
33. Secondary suites that have been issued a Development permit/Building Permit prior to the passing of this by-law shall not be considered for inclusion in this incentive program.
34. Upon the passing of this by-law, the secondary suite capital incentive shall run for a four (4) year period for application submissions, or until the maximum number of units specified in Clause 35 has been funded, whichever comes first.
35. The maximum number of secondary suites eligible for grant funding shall be capped at five (5) suites per year for a total of twenty (20) secondary suites.
36. Applications will be received and reviewed on a first-come, first served basis until the total number of units established in Clause 35 has been funded.
37. Council reserves the right to evaluate the overall effectiveness of the secondary suite incentive program annually, and upon the expiry of the four-year period shall determine whether to continue the program, with or without changes.
38. Funding shall only be provided upon the receipt of satisfactory evidence to confirm eligible project expenditures; that the project has complied with all requirements of this by-law; and an occupancy permit has been issued.
39. Applications for a secondary suite capital incentive will be deemed ineligible whereby:
  - a) the property is located in the flood risk area of Neepawa, as identified on the Town of Neepawa Elevation Map (Appendix II of the Town of Neepawa Zoning By-Law);
  - b) projects do not meet the requirements as per Clause 11;
  - c) projects that are not part of an existing constructed dwelling;
  - d) projects that do not have authorization for occupancy under an approved permit;
  - e) projects that are not owner occupied;
  - f) projects that include upgrades to an already existing compliant secondary suite.

## **ADMINISTRATION – TAX CREDIT INCENTIVES**

40. In order to qualify for the program, Registered Property Owners shall submit a complete application, including any required documentation, in the form of Schedule “A” to the Town, prior to construction completion, but no later than December 31<sup>st</sup> 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.

41. Any applicable tax incentive will be applied once the property is added to the current assessment roll of the Town by Manitoba Assessment Branch and applied **directly against the tax roll** in each qualifying year.
42. 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.
43. Commercial/industrial businesses must remain in business for the duration of the commercial tax incentive period.
44. **Speculative Residential Tax Incentives**

Speculative residential tax incentives shall begin in the year in which substantial completion is achieved and supplementary assessment / taxes are imposed. The value of the incentive shall be calculated at the close of each taxation year, subject to a period of time no greater than twenty-four (24) months, or the date of title transfer if the property is sold.

It shall be the responsibility of the Developer to notify the Town of an impending sale, and transfer of title, for the purposes of ensuring that an approved speculative tax incentive is calculated and applied to the tax roll of the Developer prior to the transfer of title. Further, in the instance that the sale of a speculative home occurs during the months whereby taxes for the current year have not been levied, the applicable incentive shall be calculated using the prior year's mill rate.

45. **Two-Unit Owner Occupied Residential, Multi-Residential, Commercial and Industrial Tax Incentives**

In order to provide maximum program benefits to the applicant, development incentives shall be calculated by the calendar year, beginning in the year immediately following substantial completion of the development. Supplementary taxes incurred and levied during the year construction is substantially complete shall be the responsibility of the registered property owner.

Notwithstanding the above, should supplementary taxes incurred and levied for a qualifying development, be sufficient to offset the full value of the first year of the incentive period (as calculated within the supplementary year), the Town may proceed in processing the incentive to start in that supplementary year, recognizing same as year one.

## **GENERAL**

46. If on the basis of any application, and any supporting information, the application meets the criteria contained in this By-Law, the CAO shall have the authority to approve the application and administer the applicable incentive.
47. In the event that eligibility for an incentive is not easily determined, the CAO shall review the application with Council, who shall make the final decision.
48. Approvals given by the CAO as per Clause 46, shall be regularly reported to the Director of Finance and the General Government and Finance Committee of Council, to facilitate transparency and ensure all approved incentives are accommodated into the respective years of the annual financial plan.
49. Any previous agreements made with the Town remain in effect until expired.
50. The Town recognizes that dependent on circumstances, a development opportunity may occur in proximity to the boundary of the Town, which will have significant economic impact on the Town. 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.
51. Mobile homes are excluded from this By-Law.

## **REPEAL AND COMING INTO FORCE**


52. That this By-Law shall come into full force and effect on the 1<sup>st</sup> day of January 2025, thereby repealing By-Law No. 3176-17 as of that date.

**DONE AND PASSED** by the Council of the Town of Neepawa, duly assembled in the Province of Manitoba, this 3<sup>rd</sup> day of December, 2024.



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Brian Hedley, Mayor



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Colleen Sychyshyn, CAO

Read a first time this 19<sup>th</sup> day of November, 2024  
Read a second time this 3<sup>rd</sup> day of December, 2024  
Read a third time this 3<sup>rd</sup> day of December, 2024

**SCHEDULE "A" – Application (By-Law 3233-24)**

<b>TOWN OF NEEPAWA</b> <b>Development Incentive Application - By-Law 3233-24</b> <i>(The Municipal Act, Section 261.2(2))</i>	
<b>Registered Owner(s):</b>	
<b>Applicant(s) (if different):</b>	
<b>Civic Address:</b>	
<b>Legal Description &amp; Title #:</b>	
<b>Most Recent Assessed Value:</b>	
<b>Date of Application:</b>	<b>Roll No.:</b>
<b>Mailing Address:</b>	
<b>Phone:</b>	<b>E-Mail:</b>
<b>Please provide a detailed description of the proposed development</b>	
<b>Please provide a detailed site plan or attach separately</b>	
<b>Neepawa &amp; Area Planning District Building Permit Number &amp; Date</b>	
<i>I hereby acknowledge that the development incentives under the authority of By-Law 3233-24 shall only be issued by the Town of Neepawa, if the property owner is in compliance with all program criteria.</i>	
<hr style="width: 20%; margin: 0 auto;"/> Date	<hr style="width: 20%; margin: 0 auto;"/> Signature:

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

FOR OFFICE USE ONLY		
<b>Application Number:</b>	<b>Date Received:</b>	
<b>Approved</b>		CAO Signature
<b>Yes</b>	<b>No</b>	

<b>TOWN OF NEEPAWA</b> <b>Development Incentives Agreement</b>	
THIS AGREEMENT made this                      day of                      A.D., 20XX  <b>BETWEEN:</b>  <b>Town of Neepawa (First Party)</b>  <b>AND</b>  <i>Registered Property Owner(s) (Second Party):</i>	
<b>Roll #:</b>	<b>Civic Address:</b>
<b>Legal Description:</b>	
A development incentive shall be provided to the registered property owner upon meeting all conditions of By-Law 3233-24 pertaining to:          Both parties agree that the program criteria and conditions under By-Law 3233-24 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., 20XX.	
_____ <i>(Witness)</i>	_____ <i>(Registered Property Owner)</i>
_____ <i>(Witness)</i>	_____ <i>(Registered Property Owner)</i>
_____ <i>(Witness)</i>	_____ <i>(CAO - Town of Neepawa)</i>

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