

TOWN OF VULCAN

Policy Manual

<u>POLICY NUMBER</u>			<u>TITLE OF POLICY</u>
PL-12			Commercial Development Incentive & Business Resource Policy
Approval	D/M/Y	Resolution #	
Adopted	25/08/2014	14.280	
From: PL-12-2		To: PL-12	
Amended	26/06/2017	17.252	

STATEMENT:

The Town of Vulcan requires a policy to formalize a process for the administration of the Commercial Development Incentive program and to provide new businesses with the required information necessary to encourage success.

1. Purpose

- 1.1** To stimulate commercial expansion and new commercial development within the Town of Vulcan.
- 1.2** Increase the long term commercial assessment within the Town of Vulcan.
- 1.3** Job creation.

2. Definitions

For the purpose of this policy:

"Commercial" shall mean a property located within an area that is currently zoned or is about to be zoned as C1 – Retail Commercial, C2 - Highway Commercial, I1 – Industrial, or AP - Airport.

"Improvements" shall mean any building or structure that is assessable for the purposes of property taxation.

3. New Business Welcome Package

- 3.1** Administration will create and maintain a New Business Welcome Package containing information about the Town of Vulcan and the resources available throughout our community. The Town will strive to keep the information provided in this document as current as possible.
- 3.2** All new businesses requiring a Town of Vulcan business licence will be provided an electronic copy of the most current New Business Welcome Package from the Development Officer upon receiving a business license application.
- 3.3** Administration will ensure that the most current New Business Welcome Package is published and available for download on the Town of Vulcan website.

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4. Commercial Development Incentives

Each commercial property may only qualify for one of the following incentives:

4.1 New Business Construction (Option #1)

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

First Year: 50% municipal tax exemption
Second Year: 75% municipal tax exemption
Third Year: 100% municipal 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 does not include school or lodge tax, which must be collected.

4.2. New Business Established in an Existing Building (Option #2)

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

First Year: 25% municipal tax exemption
Second Year: 25% municipal tax exemption
Third Year: 50% municipal tax exemption

The business owner must own the land being developed.

Tax exemption does not include school or lodge tax, which must be collected.

4.3 Business Expansion Incentive (Option #3)

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: 25% municipal tax exemption

The first year is the year following completion of construction.

The business owner must own the land being developed.

Tax exemption does not include school or lodge tax, which must be collected.

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4.4 Business Renovation Incentive (Option #4)

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.

4.5 New Business Established in a Rental/Leased Space (Option #5)

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 (e.g. rent, inventory, advertising etc.)

Only businesses located in commercial areas (C1, C2, I1, or AP) are eligible for this grant.

5. Conditions of Commercial Development Incentives

- 5.1** Commercial development incentives granted shall be conditional to that business being in active operation.
- 5.2** If at any time the taxes, utilities, or business licence fees are in arrears on the affected property, all incentives will be withdrawn and full taxes become payable for the property.
- 5.3** Each application for a tax concession or grant will be considered by Council, and may be rejected. Council's decision shall be considered final. Council reserves the right to approve each incentive package individually and customize conditions to any specific project.
- 5.4** Each commercial property receiving an incentive is required to submit an annual report to the Development Officer confirming that the terms of the incentive are being met.
- 5.5** Concession applications must be received within one year from the date of title transfer or issuing of the development permit, for incentive option #1 or #2.
- 5.6** Concession applications must be received within six months following completion of construction for incentive option #3 or #4.
- 5.7** Grant applications must be received within in six months of the businesses opening for incentive option #5.

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- 5.8** Applications for tax concessions or grants 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).
- 5.9** Applications for tax concessions or grants must be made using the form provided as Schedule “A” of this policy
- 5.10** Local Improvement Frontage tax is not eligible for any concession whatsoever.
- 5.11** Each grant or tax concession granted will be in the form of a resolution of Council. The tax exemptions for Option 1, 2 and 3 are defined as per the Municipal Government Act RSA 2000 Chapter M-26 Section 347 (1) (b)
- 5.12** No tax concessions will be granted where an existing business is moved from one location to another within the Town unless the total business area increases; in which case, incentive option #3 may apply.

- END OF POLICY-



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COMMERCIAL DEVELOPMENT INCENTIVE APPLICATION

Applicant Information			
Applicant Name:		Business Name:	
Phone:		Business Address:	
E-mail:		Tax Roll Number:	

Pick 1 Option	Option Number	Required Information	Date of issue or completion	Confirmation Notes
	New Business Construction	Development Permit Issued		
	New Business in an Existing Building	Possession Date		
	Business Expansion	Construction Completion		
	Business Renovation	Construction Completion		
	New Business Established in a Rental/Lease Space	Business Licence Issued		

Detailed Description For Expansion or Renovation


Additional Conditions

By signing this form, you confirm that you have read and understand the terms and conditions established within Policy LP-12.

Applicant Signature

Date

Development Officer Signature

Date