

CARTWRIGHT-ROBLIN MUNICIPALITY

60-2021 Property Development Incentives

Being a by-law to establish a property development incentive program

WHEREAS *Section 261.2(1) of The Municipal Act* provides that a Council may establish financial assistance programs;

AND WHEREAS *Section 261.2(1) of The Municipal Act* 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 Cartwright-Roblin Municipality in open Council duly assembled enacts as follows:

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 Cartwright-Roblin Municipality's commitment and readiness to invest in the development of the community.

1.3 Application

This By-law applies to the whole of the Cartwright-Roblin Municipality.

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 Cartwright-Roblin Municipality.

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

Incremental assessed value – the difference in the 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 three (3) or more residential dwelling units

General Municipal At Large 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 municipal 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 a net increase in the property's municipal taxes
- 2.9 The tax credit will be calculated on the incremental assessment portion only. Assessment on the rolls before 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 2021 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 (3 or more dwelling units)
Developers will be eligible to receive a progressive tax credit on municipal taxes for five (5) years for constructing a new multiple-unit residential zoned property that increases the current assessed value of the property by a minimum of \$50,000.
The breakdown for the incentive shall be as follows –
 - Year 1 = Total general municipal taxes @ 100% reduction
 - Year 2 = Total general municipal taxes @ 80% reduction
 - Year 3 = Total general municipal taxes @ 60% reduction
 - Year 4 = Total general municipal taxes @ 40% reduction
 - Year 5 = Total general municipal taxes @ 20% reduction
 - Year 6 = Full taxation rates apply.

Eligibility for commercial and industrial incentives, under this section, shall be determined following substantial completion.

2.13 Commercial and industrial tax incentive

To encourage additional construction or expansion of an existing commercial or industrially zoned property that increases the assessed value of the property by a minimum of \$50,000 business owners will be eligible to receive tax credit incentives for five (5) years as follows:

- Year 1 = Total supplemental municipal taxes @ 100% reduction
- Year 2 = Total supplemental municipal taxes @ 80% reduction
- Year 3 = Total supplemental municipal taxes @ 60% reduction
- Year 4 = Total supplemental municipal taxes @ 40% reduction
- Year 5 = Total supplemental municipal taxes @ 20% reduction
- Year 6 = Full taxation rates apply

Eligibility for commercial and industrial incentives, under this section, shall be determined following substantial completion.

Part 3 – Process

Administration

- 3.1 Upon the calculation and addition of supplementary taxes to the current tax roll, the 5-year tax incentive will be calculated.
- 3.2 Any applicable tax incentive will be applied directly against the tax roll in each of the qualifying years.
- 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 Cartwright-Roblin Municipality 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 2021 will incur applicable supplementary taxes for 2021 with full incentive benefits starting with the 2022 taxation year)

General

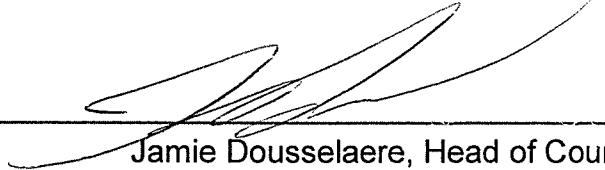
- 3.5 In instances whereby a property under construction is transferred or sold, the tax incentives will accrue to the new owner of the said property.
- 3.6 Property tax accounts must be current on December 31st annually and throughout the incentive program. Failure to keep an account current may result in discontinuing the agreement and full taxes being due and payable.
- 3.7 The Cartwright-Roblin Municipality recognizes that dependent upon circumstances, a development opportunity may occur in proximity to the boundary of the Cartwright-Roblin Municipality which will have a significant economic impact on the Cartwright-Roblin Municipality. 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 by the Council of Cartwright-Roblin Municipality duly assembled at Cartwright, in the Province of Manitoba this 28th day of July, A.D. 2021.

CARTWRIGHT-ROBLIN MUNICIPALITY



Jamie Dousselaere, Head of Council

FIRST reading: July 13, 2021
SECOND reading: July 13, 2021
THIRD reading: July 28, 2021



Colleen Mullin, Chief Administrative Officer