

TOWN OF CORONACH – BYLAW 2.2021

BEING A BYLAW FOR THE PURPOSE OF IMPLEMENTING COMMERCIAL DEVELOPMENT INCENTIVE PROGRAMS FOR THE TOWN OF CORONACH

The Council of the Town of Coronach, in the Province of Saskatchewan, enacts
as follows:

Short Titles:

1. This Bylaw may be cited as Commercial Development Incentives Bylaw.

General Regulations:

2. Minimum Qualifying criteria and property tax abatements are defined in policies attached hereto and outlined in Schedules "A" and "B";
3. Tax abatements to be applied per the provisions of Section 298 (2), (5) and (6) of the Municipalities Act of Saskatchewan;
4. The Bylaw and corresponding policies may be updated from time to time by resolution of Town Council;
5. Town Council reserves the right to accept, decline or adjust the level of incentives per the attached policies;
6. The Bylaw and corresponding policies will be reviewed at the beginning of each Council term; and
7. The Bylaw will come into full force and effect on the date of final passing thereof.

Read a third time and adopted on this 9th day of March, 2020



Mayor

Chief Administrative Officer

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Bylaw 2.2021 – Schedule A – Commercial New Development Policy

PURPOSE

The purpose of this policy is to encourage new business development and/or business expansion within the **Town of Coronach**.

1. DEFINITIONS:

- 1.1 Any construction of a **new** commercial building for the purposes of establishing a business;
- 1.2 Any **new** construction pertaining to the expansion of an existing business;
- 1.3 Any business that is subject to commercial taxation. Home based businesses and businesses subject to grants in lieu are excluded;
- 1.4 The Incentive is based on a **“Return on Investment”** which takes into consideration direct, indirect, and induced gains as a percentage of the Municipality’s abatement of taxes for the period of the Incentive.

2. GENERAL POLICY:

- 2.1 Property owners must submit a *“Commercial Development Incentive Application”* to the attention of the Chief Administrative Officer;
- 2.2 If the application for the Incentive is accepted, the property owner must enter into an *Incentive Agreement*;
- 2.3 The maximum amount of the Incentive will be based on the **“Return on Investment”** subject to the provisions of *Sections 298 (2), (5) and (6) of the Municipalities Act of Saskatchewan*;
- 2.4 Additions, expansions or renovations are only eligible if the assessed value of the **new** improvement is greater than or equal to \$50,000 dollars more than the previous improvement assessment, not including land assessment, and has a demonstrable **“Return on Investment”**;
- 2.5 The level of the Incentive will be based on the merits of the development and will include considerations such as the number of employees and their status (i.e. F/T – P/T positions), number of anticipated net new positions over the Incentive Period, cost of development, percentage of local content (construction labour, materials, supplies, etc.);
- 2.6 The Incentive shall be granted for the tax year immediately following completion of construction. Completion of construction shall be denoted by an **“Occupancy Permit”** issued by the Chief Administrative Officer. The Incentive shall be applied to the property tax account prior to tax notices being sent;
- 2.7 All eligible developments must be of a permanent nature;
- 2.8 The Incentive may be transferred in the event of a new owner up until the expiry date of the original agreement;

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Bylaw 2.2021 – Schedule A – Commercial New Development Policy

- 2.9 The exemption of school taxes will be in accordance with *Sections 298 (2), (5) and (6) of the Municipalities Act of Saskatchewan*;
- 2.10 In the case of new construction for expansions; the property owner must not be in property tax arrears or owe the Town of Coronach any funds to qualify for the Incentive;
- 2.11 The Incentive does not apply to any existing assessment on any property;
- 2.12 Failure by the applicant to comply with any of the clauses herein or comply with the conditions of the *Incentive Agreement* may result in dissolution of the *Incentive Agreement* with the applicant;
- 2.13 Applicants must agree to provide the Town of Coronach with information on a yearly basis for those applicants receiving more than a one-year incentive. Information will include number of employees and local content levels to ensure compliance with the *Incentive Agreement*;
- 2.14 Developments must conform to all Municipal Bylaws and Policies, the Laws of the Province of Saskatchewan and Canada;
- 2.15 Policy is reviewed on an annual basis.

3. TIMING OF INCENTIVES:

- 3.1 The exemption will be applied as follows:
 - 3.1.1 100% exempt in year one (tax year following occupancy permit issuance)
 - 3.1.2 100% exempt in year two
 - 3.1.3 100% exempt in year three
 - 3.1.4 Full Taxation in year four

4. COUNCIL DETERMINATIONS

- 4.1 Council reserves the right to accept or refuse an *Incentive Application*;
- 4.2 Council reserves the right to provide full or partial tax abatement based on the **“Return on Investment”** over the Incentive Period;
- 4.3 Council reserves the right to cancel, limit, reduce any *Incentive Agreement* if the conditions of the *Incentive Agreement* are not met;
- 4.4 Council reserves the right to increase the level of the *Incentive Agreement* if the conditions of the *Incentive Agreement* change due to expansion on the same property.

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Bylaw 2.2021 – Schedule B – Application for Commercial Development Incentive

APPLICATION FOR COMMERCIAL DEVELOPMENT INCENTIVE

REGISTERED PROPERTY

First Name	Last Name	Corporation or Partnership
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Mailing Address: _____ Postal Code: _____

Civic Address: _____ Telephone: _____

Email Address: _____

PROPERTY LEGAL DESCRIPTION

Lot(s): _____ Block: _____ Plan: _____

Civic Address: _____

Please check which applies to this development:

_____ New Commercial or Industrial Construction

_____ New Commercial or Industrial Expansion

INCENTIVE EVALUATION INFORMATION

Cost of Development: _____

Number of New Hires: _____

New Hires Forecasted over Incentive Period: _____

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Percentage use of Local Contractors: _____

Percentage use of Local Suppliers: _____

(OFFICE USE ONLY) ROI Calculations

Combined Annual Income of Employees

Combined Local Content Spending 48%

Municipal Investment
(Cost of Tax Cancellation)

ROI: Dollar \$

Positive Position: Year(s)

Incentive Agreement Approved by Council: Yes/No

Incentive Start Date:

Incentive End Date:

Incentive Agreement Signed with Applicant: Yes/No

Example 1:

Combined Annual Income of Employees: \$60,000,000 (200 Employees) over 5 years

Local Content Spending: 48% - \$28,800,000

Municipal Investment: \$2,500,000 (5 Year Abatement)

Town Positive Position: 10 Years

ROI: \$11.52 spent in local economy for every \$1.00 of property tax abatement.

Example 2:

Combined Annual Income of Employees: \$105,00 (3 Employees) over 1 year

Local Content Spending: 48% - \$50,400

Municipal Investment: \$2,900 (1 Year Abatement)

Town Positive Position: 2 Years

ROI: \$5.75 spent in local economy for every \$1.00 of property tax abatement.