



**TOWN OF NIVERVILLE-FINANCE**

<b>POLICY NO. F4-16:</b>	<b><u>BUSINESS INCENTIVE GRANT (BIG)</u></b>	
<b>EFFECTIVE DATE:</b>	<b><u>May 6, 2016</u></b>	<b>RESOLUTION# <u>142-16</u></b>
<b>REVISION DATE:</b>	<b><u>July 19, 2016</u></b>	<b>RESOLUTION# <u>202-16</u></b>
<b>REVISION DATE:</b>	<b><u>August 15, 2017</u></b>	<b>RESOLUTION# <u>256-17</u></b>
<b>REVISION DATE:</b>	<b><u>December 15, 2020</u></b>	<b>RESOLUTION# <u>347-20</u></b>
<b>REVISION DATE:</b>	<b><u>December 6, 2022</u></b>	<b>RESOLUTION# <u>351-22</u></b>

Background: The following grid will be used as a guide to calculate the scope and amount of the business incentive grant (the “grant”) provided by Niverville Council to an eligible property titleholder (the “titleholder”) located in a commercially or industrially zoned area (see herein “*definitions*” for further clarification) within the Town of Niverville (the “Town”).

Following consultation with the Niverville Chamber of Commerce, the purpose of the business incentive grant is to encourage construction of new commercial or industrial development. The business incentive grant is limited to commercial or industrial enterprises within noted zones of the community as herein described. That portion of a construction project classified as being of a residential category (see “*residential category*” definition herein) as determined by Manitoba Assessment, is exempt for consideration under this policy (example being mixed-use buildings).

In order to be eligible for the grant, the titleholder must generate a higher building assessment through creation of new square footage and application for a building or development permit (see definition for “*Assessment Increase*”).

For further clarification regarding leased/rental units, only one titleholder to whom the Niverville property tax statement is issued can apply for this grant program. While this grant includes freehold titleholders and/or leasehold titleholders, tenants are not eligible. Any arrangements regarding the grant allocation between tenants and landlords will not in any form or manner involve the Town.

The grant to the titleholder is calculated only on the general municipal portion of the annual taxes due.

Council, by means of a resolution passed during regular Council meeting, reserves the right to suspend the program at any time. The grant program commences effective May 6, 2016 and is not applicable to any infrastructure built or in the process of being constructed prior to this date.

Terms & Conditions:

1. Grant only pertains to the percentage of the annual general municipal portion of taxes being levied against new building value for commercial or industrial component on property tax statement.
2. Grant can commence in either the first full calendar year or added tax year after infrastructure completion and new assessment complete. The applicant and Town will consult on the applicant’s preference following receiving the revised assessment from Assessment Branch. A revised assessment from the Assessment Branch is a requirement as a new assessment has to be completed/determined by the Manitoba Assessment Branch for grant to be applicable. (see “*Application Period*” definition)
3. Payment to successful applicants will be made within 30 days following the property tax due date (property taxes are currently due and payable by September 30<sup>th</sup>).
4. Grant cannot exceed more than 100% of the general municipal tax portion. The dollar value determined in Year One will form the basis of calculations for future years to provide applicants with exact value over the duration of grant.
5. Grant calculations for the calendar year in which the permit is pulled is shown below. The percentage is applied to the general municipal tax on the first tax bill the applicant wishes to apply for the grant and forms the base for years two through four.

2022				
Assessment	Year One	Year Two	Year Three	Year Four
Up to \$ 500K	40 %	30 %	20 %	N/A
\$501K to \$1MM	60 %	45 %	30 %	N/A
\$1,000,001 to \$1.5MM	80 %	60 %	40 %	N/A
Over \$1.5MM	100 %	75 %	50 %	N/A
Over \$2.5MM	100 %	75 %	50 %	25 %

2023 / 2024 / 2025				
Assessment	Year One	Year Two	Year Three	Year Four
\$501K to \$1MM	60 %	45 %	30 %	N/A
\$1,000,001 to \$1.5MM	80 %	60 %	40 %	N/A
Over \$1.5MM	100 %	75 %	50 %	N/A
Over \$2.5MM	100 %	75 %	50 %	25 %

6. In each applicable year the full amount of annual taxes payable and water and sewer accounts must be paid in full prior to grant approval. Any overdue accounts with the Town during the period eligible for the grant will result in immediate loss of eligibility to continue with the program.
7. To qualify for the grant program all applicants must have obtained a Building Permit or Development Permit with the Town prior to construction commencing.
8. Eligibility for the grant is based on the terms and conditions described within this policy. In the event a titleholder disagrees with the Town’s decision, the titleholder may choose to appeal to Council who will hear their case during an open Council meeting. Council’s decision is final.
9. It is the sole responsibility of the titleholder to request the grant in writing from the Town. (see “*application period*” definition for further details). If a request is not received within the application period, the Town is under no obligation to consider eligibility for the grant program. For sake of clarity, the Town will not consider grant eligibility retroactively (i.e. request must come in the same calendar year as Building or Development Permit).
10. Grant application acceptance will occur after the titleholder’s application has been approved by Town staff responsible for taxation.

## Definitions:

- A) **Residential category:** The Municipal Assessment Act by way of regulation sets out prescribed classes of property. These classes of property are based on type, use, size and ownership of land or buildings, or any one or more of them. There are three residential categories Residential 1, Residential 2, or Residential 3.
- B) **Commercially / Industrially zoned:** those properties whose purpose is a commercial or industrial enterprise located in the following designated zones as defined by By-law No. 795-18 and amendments thereto: **CC** (Commercial Corridor), **CMS** (Commercial Main Street), **MG** (Industrial General), **MM** (Industrial Mixed Use) and **RCC** (Recreational Community Complex).
- C) **New Infrastructure:** for the purpose of eligibility for this business incentive grant, new infrastructure represents newly constructed buildings, tear-down/re-builds and/or expansions to existing buildings. Expansions must be able to show separately the increased assessment as a result of the facility expansion as confirmed by the Manitoba Assessment Branch. Interior renovations are not eligible for the grant.
- D) **Assessment Increase:** means the actual increase in building assessment value on a property tax statement as determined by the Manitoba Assessment Branch, excluding any inflationary increase. The increase due to inflation will be based on the average increase to the entire commercial tax roll. (e.g. if commercially zoned properties increase by 5 % and the applicant's building assessment due to expansion construction increased by 10 %, only 5% of building assessment increase would be considered eligible for this grant.)

In the example of tear-down/re-builds, the prior assessment value will apply against the new assessment. In this situation if a building is worth \$ 200,000 and is torn down and replaced with a building having an assessment value of \$ 400,000 then only \$ 200,000 applies as assessment discount.

- E) **Program period:** any building or development permit issued after May 6, 2016 for a Commercially / Industrially Zoned property expanding, re-building or building new infrastructure may make an application under this grant program to the Town.
- F) **Application period:** the Town will accept applications for the next calendar year up to November 30<sup>th</sup> of the current calendar year. Any applications submitted in the month of December will be approved for the following incentive year due to budget planning requirements for the Town. (i.e. Titleholder X makes application for 2021 tax reduction on December 15<sup>th</sup>, 2020. Due to blackout period this application will only be accepted for 2022 incentive program.) Titleholders must make an application at time of building permit but the application will only be processed upon the Manitoba Assessment Branch completing their review and providing necessary documentation to Town.
- G) **Application process:**
- i) Applicant registers building or development permit with Town prior to construction commencing, and submits completed application for Business Incentive Grant along with any required supporting documentation.
  - ii) Building / development permit approved by Town.
  - iii) Upon Manitoba Assessment completing its review and submitting documents to the Town, the Town activates the Application, and reviews the current status of all tax and utility accounts held by the titleholder. Any overdue accounts with the Town during the period eligible for the grant will result in immediate loss of eligibility to continue with the program.
  - iv) Town approves / denies request and provides basis for decision.
  - v) IF:
    - a. Approved – Town will provide written notice of acceptance to the Applicant and will consult with the Applicant regarding their preference for whether the grant commences in either the added tax year after infrastructure completion and new assessment complete, or the first full calendar year;
    - b. Denied – Applicant has option to request review by Council as per condition number 8.