

Economic Development Business and Tax Incentive Policy

1. Policy Statement

The Council of the Town of Langenburg creates development incentives to enhance economic development and businesses growth opportunities in the Town of Langenburg.

2. General Policy

- 2.1. New Business Construction. The Town will provide a **4-year 100%** land and building tax incentive for any **newly constructed** commercial building that is built to house commercial or industrial operations. Year 1 is the year in which construction of the new business is commenced. The incentive is valid only for the new businesses.
- 2.2. Business Established in an Existing Building. The Town will provide a **2-years 100%** land and building tax incentive for the business who **bought existing** commercial building for commercial or industrial operations.
- 2.3. Existing Business Expansion. The Town will provide a **\$1500 tax rebate** for existing business that expands and **attracts new** business/services in existing building and creates at least 1 full-time work position.
- 2.4. Existing Business Renovation. The Town will provide **100%** land and building tax incentive for **existing** business **renovation** period **up to 6 months** if the business is closed during that period. This is one-time tax incentive in 5 years.
- 2.5. Residential House Construction. Town will provide **3-years 100%** land and building tax incentive for the new residential house construction. The 3 years tax incentive is transferable to house buyers until the 3-years period is done. The 3-years tax incentive will begin on January 1st after the construction will begin. Filled Form "Residential Tax Incentive Request Application Form" as well as building permit are required.

The Council reserves the right to customize the business and tax incentive packages to any specific project including rent supplements if needed.

3. Policy Guidelines

Businesses that qualify for a tax incentive under one of the above general 2.1, 2.2, 2.3, 2.4 policies, are subject to the following guidelines:

- 3.1. The business owner must own the commercial property.
- 3.2. The building's primary use must be deemed commercial or industrial. The incentive does not apply to businesses based in residential buildings.
- 3.3. Land and building tax incentives includes both municipal and school portions.
- 3.4. To get an incentive, Business first must fill Form "Tax Incentive Request Application Form" in order to be eligible for the incentive.
- 3.5. An Application Form A becomes an agreement document once approved by Council and signed by the Town of Langenburg Mayor and CAO.
- 3.6. The business owner will have the option for applying year one of the incentive to the current calendar year or following calendar year. Preference must be provided to the Town Office in writing at the time of application. Should no preference be indicated, the incentive will apply to the current year by default prior to length of the following year after levy.
- 3.7. All incentive applications must be reviewed by Council and approved by Council. Once approved, businesses do not need to apply annually; the incentive will be automatically applied annually by resolution of the Council.
- 3.8. Incentives do not apply to frontages, special levies or penalties (Town).
- 3.9. Tax incentives shall not apply to any frontage taxes or local improvement levies (School Taxes)
- 3.10. No property taxes shall be levied on land purchased from the Town of Langenburg in the calendar year to which the land was purchased.

- 3.11. The business's portion of the taxes and any applicable penalties must be paid in full prior to December 31 in order to qualify for the incentive for following year. After payment is received, the incentive portion will be applied to the balance of the tax account.
- 3.12. Once operations commence the business incentives granted shall be conditional to that business remaining in active operation.
- 3.13. Where a business qualifies for more than one incentive, only one incentive shall apply which shall be the incentive with the highest value.
- 3.14. Business must have a taxable assessment to qualify for any development incentives identified in this policy.
- 3.15. Tax incentives will be calculated only on the property taxes resulting from the property assessment associated with the new construction as defined in this policy statement.
- 3.16. In the event any municipal, school or frontage taxes or levies are unpaid at December 31st in the year of levy, the property shall immediately become ineligible to receive any further tax concessions not already entered on the tax roll and any agreement to tax concession will be nullified.
- 3.17. In the event an eligible property is sold, the tax concession will automatically be cancelled. The new owner may apply for tax exemptions under this policy.
- 3.18. No tax concessions will be granted if the property is in arrears.
- 3.19. The property must be zoned in the commercial/industrial designated area.
- 3.20. Upon construction or business expansion, the Business must submit a building permit.
- 3.21. Council reserves the right to approve each incentive package individually and to customize incentives to any specific project.

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*Validation date
November 5th, 2019*

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- 3.22. The CAO and EDO shall administer this policy.
- 3.23. This policy shall take effect on the date of adoption by resolution (bylaw) of Council.

Prepared by EDO Lina Petkeviciene and reviewed by CAO Glenda Lemcke.

Approved: Town of Langenburg Council

Resolution # 2019/256

Policy Effective date: November 5th, 2019