



# TOWN OF DALMENY COUNCIL POLICY

POLICY TITLE	ADOPTED BY	EFFECTIVE DATE	POLICY NO.	ORIGIN/AUTHORITY
Economic Development Incentives for New and Existing Business	M9/14 – Slack/Kroeker	January 6/14	1/14	Municipalities Act

## 1. PURPOSE

This policy is intended to set out the economic development incentives for new and existing businesses in the Town of Dalmeny (herein referred to as the Town).

The objectives of the Economic Development Incentives Policy are to:

- a) Foster a strong municipal economy by providing tax relief to new and existing businesses who provide both capital investment and create local employment in the Town;
- b) Attract new businesses to help grow the municipal economy through local employment and expansion of the municipal tax base; and
- c) Encourage existing businesses in the Town to continue to grow and expand.

## 2. DEFINITIONS

**Commercial and Industrial Enterprise** – defined as a business that is either a retail or manufacturing operation that provides a service or benefit to any or all residents or other businesses in Dalmeny, including creation of jobs.

**New Business** – defined as a commercial or industrial enterprise that has not previously operated at the location where the construction of a new building is taking place, and has not previously obtained an economic incentive from the Town.

**Existing Business** – defined as a commercial or industrial enterprise that currently operates within the Town.

**Municipal Portion of Taxes** – shall be municipal taxes generated by mill levy, not including base tax. The municipal taxes shall be calculated based on the

increased assessment for the new building, as determined by SAMA. Section 295 of *The Municipalities Act* (the Act) provides authority for a municipality to exempt any land or improvement from taxation for economic development purposes for a period up to five years.

**Permanent Facility Improvements** – defined as any new construction, physical improvements to an existing facility, esthetic improvements to the land or property and so on.

### 3. **POLICY**

Council, in its sole discretion, may provide tax relief to a new or existing business under the following parameters:

- 3.1 Economic development incentives (municipal tax abatement) may be provided over a four-year period based on the following scale:

<b>Year</b>	<b>Municipal Tax Abatement</b>
Construction Year (or portion thereof)	100%
Year Two	75%
Year Three	50%
Year Four	25%

- 3.2 In the fifth year, the new business or existing business will be required to pay the full portion of municipal taxes.
- 3.3 The municipal tax exemption applies to the assessment and taxation of new permanent improvements only and is not applicable to current assessment and taxes levied on land. Permanent facility improvements include construction of a new facility or physical expansion/improvements made to an existing facility.
- 3.4 The municipal tax abatement shall be calculated on the incremental tax value of the improvements (the difference between taxes payable on the original assessed value and the taxes payable resulting from the permanent improvements made).
- 3.5 The municipal tax abatement shall be applied as a credit in each of the years it applies.

- 3.6 Economic development incentives will not be considered if a new or existing business does not meet the eligibility criteria defined in Section 3.10 of this document and its subsections.
- 3.7 Economic development incentives will not be considered if a new or existing business has been granted other development concessions (such as purchasing town-owned land at less than market rate; receiving town infrastructure assistance etc).
- 3.8 Approved economic development incentives may be rescinded or deferred if:
- 3.8.1 The information contained in the application (as depicted in Appendix A) is deemed to be misleading or untrue in nature;
  - 3.8.2 The proposed project is not completed within the specified timeframes and/or the building permit expires; or
  - 3.8.3 The project changes from its intended use as noted in the application.
- 3.9 The Town of Dalmeny reserves the right, at any time and in its sole and absolute discretion, to accept or reject, in whole or in part, any or all economic development incentive applications.

### **ELIGIBILITY CRITERIA**

- 3.10 A new or existing business (herein referred to as the Applicant) may be considered for economic development incentives (a municipal tax abatement) if the Applicant meets **all of the following** eligibility criteria:
- 3.10.1 The Applicant must be a legal business entity;
  - 3.10.2 The Applicant must be the legal owner of the property where permanent improvements are being made. In the case of a lease, a copy of lease agreement must be provided;
  - 3.10.3 This policy shall apply to commercial and industrial enterprises only as defined in this document. Residential development, including home-based businesses are excluded from this policy;
  - 3.10.4 This policy shall apply only to businesses in good standing with the Town. Businesses with tax arrears shall not be considered for economic development incentives until such time that tax arrears have been paid in full;

- 3.10.5 It is mandatory that the Applicant submit their economic development incentives application **before** a building permit is issued. Incentives applications will not be considered after the building permit issue date;
- 3.10.6 The Applicant must invest a minimum of \$100,000 in the construction of permanent facility improvements in the Town where the facilities are defined as assessed buildings or structures and the value of improvements are defined by the value applied to the building permit;
- 3.10.7 The Applicant must demonstrate that the proposed development will create reasonable local full-time and/or local part-time employment opportunities;
- 3.10.8 The Applicant must be willing to enter into a written agreement with the Town and abide by the terms and conditions within the agreement in order to receive economic development incentives as defined throughout this document.

#### **4. PROCEDURES**

- 4.1 A signed, complete economic development incentives application as outlined in Appendix A of this document must be submitted to the Town prior to obtaining a building permit for permanent improvements.
- 4.2 The Town will review the economic development incentives application on its completeness and eligibility criteria. If the application is deemed complete and meets all of the eligibility criteria outlined in Section 3.10 (and its subsections), it will be presented to Council for review.
- 4.3 If the economic development incentives application is approved by Council, both Council and the Applicant agree to enter into a written agreement to receive economic development incentives as outlined in this policy.
- 4.4 All applications will be kept strictly confidential due to the proprietary nature of information contained within the application form and supporting documents. The Town of Dalmeny will not release any confidential information gathered for the purposes of evaluating proposals to receive economic development incentives.

#### **5. EVALUATION**

- 5.1 Council will evaluate each complete, eligible economic development incentives application based on the following evaluation criteria :

- 5.1.1 **Proposed Development Project** – applications will be evaluated on the overall merit of the proposal, innovation shown by the applicant, completion schedule, overall feasibility and overall benefits to the Town of Dalmeny with special consideration given to proposals that provide favourable long term benefits to the community.
- 5.1.2 **Land Investment** – where applicable, applications will be evaluated on the applicant’s investment regarding actual land purchase value, site servicing costs (such as land in-fill, service connections) and infrastructure investment (such as construction of access streets and parking lots).
- 5.1.3 **Facility Investment** – applications will be evaluated on the applicant’s investment in a new facility, expansion of an existing facility or renovations to an existing facility. Facility investment will be evaluated on costs relating to building materials, building erection costs, foundations and floors, building packages, mechanical systems (plumbing, heating, electrical), windows and doors, exterior façade such as brick, siding, stucco, soffit/fascia and interior investment such as paint, flooring and lighting.
- 5.1.4 **Other Investment** – where applicable, applications will be evaluated on any other permanent investments such as fixed equipment (that once installed, is a permanent fixture in the facility such as manufacturing or processing equipment) or any other special investments pertaining to the execution of the proposed development.
- 5.1.5 **Local Employment Creation**– applications will be evaluated on the number of full time and/or part time positions created to increase local employment opportunities.

## 6. DEFAULT

- 6.1 The Town’s *Economic Development Incentives for New and Existing Business Policy* has been developed to assist new and existing businesses who are providing a long-term commitment to the Town of Dalmeny through capital investment and local job creation. Any applicant who fails to commit to a long-term investment (minimum of 5 years) will be considered in default of this policy and subject to Section 6.3 of this document.
- 6.2 Should the Applicant fail to comply with any of the terms and conditions outlined within the Town’s *Economic Development Incentives for New and Existing Business Policy* and the terms and conditions contained within the written agreement at any time during the term of the municipal tax abatement

is granted, the Applicant will be considered in default of this policy and subject to Section 6.3 of this document.

- 6.3 If the Applicant is deemed to be in default, all municipal taxes previously exempted by the Town shall become a debt due on demand to the Town by the Applicant. If the debt is not repaid within a reasonable timeframe, the debt will be collected by adding it to the tax roll and/or through civil action.



# TOWN OF DALMENY ECONOMIC DEVELOPMENT INCENTIVES FOR NEW AND EXISTING BUSINESSES

## APPENDIX A APPLICATION TO ACCESS ECONOMIC DEVELOPMENT INCENTIVES

New or existing businesses as defined in the Town of Dalmeny's *Economic Development Incentives Policy for New and Existing Business (1/13)* are required to complete the following application information and acknowledge their understanding of this policy for economic development incentives (municipal tax exemptions on permanent improvements).

**Businesses are hereby notified that completing the following application does not signify approval by the Town for tax exemptions. Each complete application is evaluated on an individual basis and is subject to Town Council approval before any tax exemption is provided. Council, in its sole discretion, may reject or approve applications under this policy.**

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### Application Procedures for New and Existing Businesses

1. Businesses are required to review Town of Dalmeny's *Economic Development Incentives Policy for New and Existing Business (1/13)* to ensure their understanding of the policy and business eligibility criteria.
2. **Before obtaining a building permit**, eligible businesses are required to complete the accompanying application form and submit the required documentation. Business development incentive **applications received after obtaining a building permit will not be considered under any circumstances.**
3. Once the application has been completed by the eligible business and returned to the Town of Dalmeny office, it will be verified for completeness and prepared for Town Council's consideration at the next regularly scheduled Town Council meeting.
4. Town Council will review the application and if approved, an agreement between the Applicant and the Town of Dalmeny will be prepared. The tax exemption provisions become effective upon both authorized parties signing the agreement.



# TOWN OF DALMENY

## ECONOMIC DEVELOPMENT INCENTIVES FOR NEW AND EXISTING BUSINESSES

### APPLICATION FORM

#### SECTION 1. CONTACT INFORMATION

Business Name: \_\_\_\_\_

Applicant's Name and Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Office Phone Number: \_\_\_\_\_ Cell Phone Number: \_\_\_\_\_

Website: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

#### SECTION 2. APPLICANT DECLARATION

I, \_\_\_\_\_ of \_\_\_\_\_  
*(Name of Applicant - please print)* *(City/Town)*

in the Province of Saskatchewan, solemnly declare that the enclosed statements contained within this Application are true, knowing that it is the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act". I certify that the information contained within this application is true and accurate to the best of my knowledge. I understand that knowingly providing false information will void any economic development incentives should they be provided.

\_\_\_\_\_  
*(Applicant's Signature here)*

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Witness Signature here)*

\_\_\_\_\_  
*(Name of Witness - please print)*



I, \_\_\_\_\_ have reviewed the Town of Dalmeny's  
(Name of Applicant)

*Economic Development Incentives Policy for New and Existing Business (1/13)* and declare that I have read and understand the nature of the policy and business eligibility criteria. I understand that the application is not the incentive and that Town Council will review my application for consideration of tax incentives.

### SECTION 3. BUSINESS INFORMATION

Please check the appropriate answers

**1. Is your business a legal business entity in the Province of Saskatchewan?**

Yes  No

**2. Please determine your development project type:**

New Business  Expansion of Existing Business

In the case of an existing business, please list the total number of existing employees on staff

\_\_\_\_\_ Full-time

\_\_\_\_\_ Part-time

### SECTION 4. DEVELOPMENT PROJECT INFORMATION

Please complete the following section

**1. Proposed Development Civic Address:** \_\_\_\_\_

**2. Legal Land Location:** \_\_\_\_\_

**3. Is the property owned or leased in which the development will occur?**

Owned  Leased

In the case of a lease, a copy of lease agreement must be provided

**4. Estimated Construction Start Date:** \_\_\_\_\_

**Estimated Construction Completion Date:** \_\_\_\_\_

**5. Please provide a detailed description of the proposed development including a clear description of the proposed project and products/services to be offered.**

**6. Projected number of new jobs created through new business development or business expansion:**

\_\_\_\_\_ Full-time                      \_\_\_\_\_ Part-time

**7. Please describe the economic benefits (fiscal impacts, construction impacts, community support and other overall potential economic impacts) the development will bring to the Town of Dalmeny.**

**8. What is the total estimated capital investment for this project? \$ \_\_\_\_\_**

**INVESTMENT DETAILS**

Please complete all applicable sections as they relate to the proposed development

<b>LAND</b> include purchase value and servicing costs here	<b>ESTIMATED COSTS*</b>
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL LAND INVESTMENT</b>	<b>\$</b>

\* Please submit copies of supplier/contractor quotes with this application for verification of estimated costs. Please note GST and PST are not considered as eligible costs.

<b>FACILITY</b> include applicable construction costs here for new builds or expansion/renovation of existing facilities	<b>ESTIMATED COSTS*</b>
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL FACILITY INVESTMENT</b>	<b>\$</b>

\* Please submit copies of supplier/contractor quotes with this application for verification of estimated costs. Please note GST and PST are not considered as eligible costs.

<b>OTHER INVESTMENT</b> Include any fixed equipment and other applicable project costs here	<b>ESTIMATED COSTS*</b>
	\$
	\$
	\$
	\$
	\$
	\$
<b>TOTAL OTHER INVESTMENT</b>	<b>\$</b>

\* Please submit copies of supplier/contractor quotes with this application for verification of estimated costs. Please note GST and PST are not considered as eligible costs.

## **SUPPORTING DOCUMENTATION REQUIREMENTS**

**Please submit the following supporting documents to be reviewed with your application to be considered for economic development incentives:**

- Background information on your business, its key personnel, history, products and services and any other applicable business information that supports your application.
- Technical drawings/blueprints of the proposed new build, expansion of existing facility or renovations of an existing facility. Drawings should include all applicable items such as: facility details, adjacent parking, highway access, landscaping and details of drainage, grades and utility locations.
- Copies of all supplier/contractor quotes for costs listed within this application for verification of estimated costs.

### **PLEASE SUBMIT COMPLETED APPLICATIONS TO:**

Please submit the completed application form, any additional information regarding your development proposal and copies of supplier/contractor quotes in hard copy or an acceptable electronic file copy (Microsoft Word or .pdf) to:

**Shelley Funk, Chief Administrative Officer (CAO)**

**Town of Dalmeny**

**Box 400**

**Dalmeny, SK S0K 1E0**

**Phone: (306) 254-2133**

**Fax: (306) 254-2142**

**Email: [dalmenyadmin@sasktel.net](mailto:dalmenyadmin@sasktel.net)**