

Town of Kipling
Policy Manual



POLICY DESCRIPTION:

Community Incentive Policy (CIP)

POLICY NUMBER:

PD-3

DATE APPROVED: October 11 , 2011

REVISED: September 14, 2015

June 14, 2021

RESOLUTION #: 189 /11

118/21

Commercial Incentive Policy (CIP)

Each commercial/industrial property may only qualify for one incentive offered by the Town of Kipling.

Purpose:

- 1. Stimulate new commercial development within the Town of Kipling.**
- 2. Increase the long term commercial assessment in Kipling.**
- 3. Promote job creation within the Town of Kipling.**
- 4. To recognize the establishment of additional long term jobs in the community.**

1. New Business Construction

The Town will provide a three year tax incentive for new business construction. The incentive offered is as follows:

First Year: 100% base and mill rate tax exemption

Second Year: 75% base and mill rate tax exemption

Third Year: 50% base and mill rate tax exemption

*The first year is the year in which construction of the new business is commenced.

*The business owner must own the land being developed.

* Tax exemption may include both municipal and school portions; it does not include special levies.

2. Business Expansion Incentive

The Town will provide a three year tax incentive on the municipal portion of the taxes for new construction, approved by Town Council, of an existing business which increases the physical space of the commercial improvements. The incentive shall be calculated on the difference between the old assessment value and the assessed value of the new construction.

First Year: 100% base and mill rate tax exemption on value of the expansion

Second Year: 75% base and mill rate tax exemption on value of the expansion

Third Year: 50% base and mill rate tax exemption on value of the expansion

*The first year is the year following completion of construction.

* This incentive does not include special levies.

3. Job Creation Incentive

The Town will provide a \$1,000 job creation grant per eligible* full time employee to a maximum of 5 eligible employees per application every five years.

- This grant is available to an eligible business once in a five-year period on an ongoing basis.
- The business is responsible to provide acceptable proof of employment showing that the employee(s) has been a full time, permanent employee of the business for one year.
- The business must be located within the Town of Kipling limits.
- Open to any business adding full time employees.
- This grant may not be stacked with other incentives in this policy.
- The business must be located in the Downtown, Highway or Light Industrial Zoning District.
- This grant comes into effect as of July 1, 2021, employees hired previous to this date are not eligible.

*Business Owner(s), spouse and partners are not eligible. Employees must be permanent employees, not term, contract or seasonal.

4. Business Renovation Incentive

Any owner of commercial property may apply for a business renovation incentive.

The Town will provide a rebate to a business completing a minimum of \$5,000 in renovations of commercial improvements. The rebate will be based on the cost of

the renovations calculated at a rate of 10% of the costs to a maximum rebate of \$1,000.00.

- A written explanation and pictures of the renovations must be submitted with copies of paid invoices as application for the renovation rebate.
- The rebate will be applied against the municipal tax levy in the year following the completion of the renovations.
- If the application of the rebate results in a credit on the property tax account, the credit will remain on the tax account of the property and is non-refundable.
- A business may apply for a business renovation incentive once every five years.

Conditions for Commercial Incentives/Grants

- Commercial incentives granted shall be conditional to that business being in active operation.
- If at any time the taxes are in arrears on the affected property, all incentives will be withdrawn and full taxes become payable for the project.
- Application for these incentives must be made to Council in the form of a development application. **Council reserves the right to approve each incentive package individually** and customize incentives to any specific project when investment dollars of the commercial improvements exceed \$400,000.00.
- Each commercial property receiving an incentive may be required to submit an annual report to Council confirming that the terms of the incentive are being met.
- Applications must be received within one year from the date of title transfer for incentives one and two.
- Applications must be received within six months following the completion of renovations for incentive four.
- Special tax levies are not eligible for any of these incentives.
- The incentives apply to the main building of the business not surrounding properties.

Mayor

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