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Page: 1 of 5



CITY OF
Lethbridge

TARGETED REDEVELOPMENT INCENTIVE PROGRAM POLICY

PURPOSE

The Council of the City of Lethbridge has a broad mandate to provide good government, develop and maintain a safe and viable community, and supply desirable and/or necessary services to the community.

The purpose of this policy is to provide an incentive for targeted redevelopment projects by reducing the effect of an increase in municipal taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

PERSONS AFFECTED

City Council/City Administration

POLICY STATEMENT

It is the policy of the City of Lethbridge to establish an incentive for targeted redevelopment projects located in Lethbridge's Urban Core districts, and/or classified as a brownfield property. The incentive is offered as a tax cancellation OR grant based on the increase in municipal taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

APPLICATION INFORMATION

- a. Applicants must ensure that the application form is complete including required supporting documents. Additional requirements and/or supporting documents may be required on a case by case basis at the discretion of the City Manager or delegate based on the nature of the work proposed. Incomplete applications will be returned to applicant.
- b. Once an application is deemed complete by the City Manager or delegate, the application will be time stamped and application will be presented to City Council for approval.

ELIGIBILITY CRITERIA

- a. Qualified projects shall include developing, redeveloping, or renovating residential/commercial lands and buildings that are:
 - i. Located within one of Lethbridge’s urban core districts including Downtown, Warehouse District, or 13 Street North as defined; and/or
 - ii. Classified as a brownfield property.
- b. Projects shall consist of either new building construction or significant renovation construction in accordance with the following table:

Table 1: Incentive Table

Verified Minimum Construction Value	Incentive Period	Maximum Annual Municipal Incentive	Maximum Total Municipal Incentive
\$500,000 - \$999,999	5 years	\$60,000	\$300,000
\$1,000,000 - \$3,999,999	6 years	\$83,333.33	\$500,000
\$4,000,000 - \$5,999,999	7 years	\$128,571.43	\$900,000
\$6,000,000 - \$7,999,999	8 years	\$159,375.00	\$1,275,000
\$8,000,000 - \$9,999,999	9 years	\$222,222.22	\$2,000,000
\$10,000,000-\$11,999,999	10 years	\$250,000.00	\$2,500,000
\$12,000,000+	11 years	\$363,636.36	\$4,000,000

- c. Projects funded through the Targeted Redevelopment Program are eligible to access other City of Lethbridge incentives, however total combined City incentive funding for a project shall not exceed the total maximums outlined in Table 1, based on which incentive period they qualify for under. This condition is void 10 years after incentive period is complete.
 - i. Example 1: If Project A is eligible for a 5 year incentive of \$30,000 annually (\$150,000 total), the project would be eligible for up to \$150,000 in other incentive program funding
 - ii. Example 2: If Project B is eligible for a 5 year incentive of \$60,000 annually (\$300,000 total), the project will have reached its maximums and would not be eligible for any additional incentive program funding.

ROLES AND RESPONSIBILITIES

City Council to:

- a. Approve the Targeted Redevelopment Incentive Program Policy;
- b. Approve the appropriate budget for the incentive program;
- c. Receive and approve/deny individual applications including appropriate funding source and level of funding;
- d. Review and evaluate the program outcomes

City Manager or Delegate:

- a. Coordinate policy administration, application and reporting processes;
- b. Identify funding source and establish a separate budget item in each year's budget to show the municipal tax cancellations and grants approved under this policy.

Applicant to:

- a. Have an ownership interest in the property to be constructed;
- b. Submit an application to City Manager or designate including construction cost budget;
- c. Submit actual construction costs to City Manager or designate no later than January 31 of the year in which the incentive commences.

PROCEDURE

- a. The value of the incentive is based on the increase in municipal taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment in alignment with Table 1.
- b. The incentive will be offered in two streams, which must be identified in the application prior to project approval.
 - i. Stream A: For projects where ownership will be retained through application, construction, and incentive period. The incentive is offered as a municipal tax cancellation and only the registered owner(s) at the time of commencement of the project are eligible for the tax cancellation. If the subject property is subdivided by a registered plan, the municipal tax cancellation shall cease.
 - ii. Stream B: For projects where ownership will be subdivided by registered plan, set up as a condominium with multiple owners or where registered ownership is planned to change during development or incentive period. The incentive is offered as a grant. If project transfers ownership, the initial registered owner(s) are afforded the opportunity for a limited assignment of the grant under the terms of the program to the initial purchaser of each unit within a project. The assignment of the grant shall not apply to any subsequent sale of unit(s).
- c. The incentive period for an eligible property will commence on the first full tax year after the building has been approved for occupancy and shall cease at the end of applicable term.
- d. The incentive calculation is only applicable to the municipal portion of the tax, not to requisitioning bodies and special charges including BIA levies. Further, supplementary assessment and supplementary taxation on new improvements are excluded from any incentive calculations.
- e. Projects are required to be in compliance with the relevant City of Lethbridge statutory and non-statutory plans, bylaws, policies, permits, and approvals. If in an area where an approved Area Redevelopment Plan (ARP) is not in place, a comprehensive site plan must be provided with application.

- f. To be eligible, a property must not be in arrears in taxes, municipal utilities or any other municipal charge at any point during pre-construction, construction, or post-construction within the incentive period. Prior to any annual grant based payment all municipal charges outlined must be paid in full.
- g. Projects(s) must commence no longer than two years following approval of the incentive or the incentive will be cancelled. The two-year period may be extended by City Council at its absolute discretion.
- h. Approval of the grant application is at the absolute discretion of the City and subject to the availability of funds. Should there be inadequate funding to meet demand, applications will be held in a queue and processed in chronological order as funding becomes available.
- i. The City may terminate the grant at any time, if the applicant/owner breaches or does not fully satisfy any of the obligations and conditions of this policy, as determined by the City.
- j. In the event that the Property Owner does not meet the obligations of this policy, the incentive is void in its entirety.

DEFINITIONS

- a. 13 Street North - means the area of the City of Lethbridge that includes all properties that front on 13 Street North between 1 Ave North and 9 Ave North.
- b. Area Redevelopment Plan - means a detailed long range plan adopted by City Council as statutory plan by by-law that coordinates the conservation of older neighborhoods from unsympathetic development proposals, and sets out the policies for the redevelopment of vacant and underutilized parcels of land and buildings.
- c. Brownfield Property -means a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.
- d. Comprehensive Site Plan - means a detailed plan that includes the surrounding area of the project of at least one-city block including but not limited to location of buildings and structures, building envelopes, setbacks, common areas, parking, landscaping, etc. Details are at the discretion of the City Manager or designate.
- e. Downtown - means the area of the City of Lethbridge bounded by the following: Stafford Drive on the east, 6 Avenue South to the south, the Crowsnest Trail to the north, and the Oldman River Valley top-of-bank setback line to the west.

- f. Warehouse District - means the area of the City of Lethbridge bounded by the following: Stafford Drive to the west; 3 Avenue to the south (including all properties fronting on 3 Avenue); Mayor Magrath Drive to the east; and Crowsnest Trail to the north.

REFERENCES

- Municipal Government Act, RSA 2000 Chapter M-26
- Heart of Our City Master Plan
- Integrated Community Sustainability Plan/ Municipal Development Plan
- Heritage Management Plan

REVISION HISTORY

- March 16, 2015: New Policy (Targeted Redevelopment Incentive Policy)
- July 31, 2017: Revised to expand criteria, lower the minimum construction value, increase the total municipal tax cancellation benefit to \$4 million, and lower the minimum 3 storey requirement to 2 FAR.
- August 20, 2018: Revised to change 2.0 FAR requirement to be a requirement for a minimum height of 2 storeys and to provide clarity on the procedure of incremental tax cancellation.
- October 19, 2020: Revised to expand areas of eligible areas and brownfield sites; addition of lower construction value; ability to stack multiple grants