

Number: CC64
Administered by: City Council
Approved by:
Effective date: Oct 19, 2020
Last Review: Oct 19, 2020
Next Review: 2024
Page: 1 of 3

INDUSTRIAL MUNICIPAL TAX INCENTIVE 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. Policies are essential in providing substance to this mandate.

The purpose of this policy is to provide an incentive to attract new industry and promote substantial redevelopment and expansion of existing industry by cancelling a portion of the increase in municipal taxes attributable to the differential between the pre-construction assessment and the post-construction assessment.

PERSONS AFFECTED

City Council/City Administration

POLICY STATEMENT

It is the policy of the City of Lethbridge to establish an incentive to attract new industry and promote substantial redevelopment and expansion of existing industry in Lethbridge. The tax cancellation shall be 25% of the increase in municipal taxes attributable to the differential between the pre-construction assessment and the post-construction 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

- c. In order to qualify for funding, an applicant shall meet the following general criteria:
 - I. Be a legally incorporated entity;
 - II. Be involved in manufacturing and processing;
 - III. Be the legal owner; and
 - IV. Be the leasee of the property and provide a copy of the lease agreement upon application.
 - V. Be a property within the jurisdiction of the City of Lethbridge that has an industrial zoning as defined in the City of Lethbridge's land use bylaw.
- d. Project shall consist of either new building construction or significant renovation/expansion in accordance with the following:
 - I. 5-year Tax Cancellation Criteria:
 - A minimum investment of \$50,000,000 in plant, land and/or leasehold improvements.
 - 5 year tax cancellation term
 - II. 3-year Tax Cancellation Criteria:
 - A minimum investment of \$20,000,000 in plant, land and/or leasehold improvements.
 - 3 year tax cancellation term
 - III. 2-year Tax Cancellation Criteria:
 - Up to an investment of \$19,999,999 in plant, land and/or leasehold improvements.
 - 2 year tax cancellation term.

ROLES AND RESPONSIBILITIES

City Council to:

- a. Approve the Industrial Municipal Tax Incentive Policy;
- b. Receive and approve/deny individual applications including appropriate level of funding;
- c. Review and evaluate the program outcomes

City Administration to:

- a. Coordinate policy administration, application and reporting processes;
- b. City to identify eligible development opportunities.

Applicant to:

- a. Have an ownership interest in the property to be constructed;
- b. Submit an application to City Council including construction cost budget;

- c. Submit actual construction costs to Assessment and Taxation no later than January 31 of the year in which the municipal tax cancellation commences;
- d. Make application on approval of development permit

PROCEDURE

- a. The value of the incentive is 25% of the increase in municipal taxes attributable to the differential between the pre-construction assessment and the post-construction assessment.
- b. The municipal tax cancellation 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.
- c. In the event that the Property Owner does not meet the obligations of this policy, the tax cancellation agreement is void in its entirety. The tax account must remain in good standing to receive the tax cancellation.
- d. Supplementary assessment and supplementary taxation on new improvements are excluded from this policy and subject to full taxation.
- e. The tax cancellation is only applicable to the municipal portion of the tax, not to requisitioning bodies.
- f. If the subject property remains eligible for municipal tax cancellation as long as the registered owner(s) at the time of commencement of the building construction does not change. Upon transfer of ownership, the municipal tax cancellation shall cease.

DEFINITIONS

- a. “requisitioning bodies” - shall mean the Alberta School Fund Foundation, the Green Acres Foundation, the preparation of designated industrial property requisition and any other provincial enactment that come to be that requisition to the municipality.

REFERENCES

- *Municipal Government Act, RSA 2000 Chapter M-26*

REVISION HISTORY

- October 20, 2020 – New Policy (Industrial Municipal Tax Incentive Policy)