TOWN OF
STRASBOURG

Policy #PD-002

Policy Title: ECONOMIC INCENTIVE TAX EXEMPTION POLICY

Policy Objective	To stimulate and promote economic development in the Town of Strasbourg by encouraging the construction of residential, commercial, and industrial buildings, and to increase or enhance the products and services available to the Town and surrounding region.
Original Date & Authority	May 8, 2019 - Resolution #125/2019
Revised Dates & Authority	June 23, 2021 - Resolution #137/2021
Supporting Bylaw	n/a
Related Policy	#PD-001 New Subdivision Lot Policy

Legislative Authority:

The Municipalities Act

Exemption of specific properties

295(1) A council may exempt any property from taxation in whole or in part with respect to a financial year.

(2) Subject to Section 298, a council may:

(a) enter into an agreement with the owner or occupant of any property for the purpose of exempting that property from taxation, in whole or in part, for not more than five years; and

(b) in an agreement entered into pursuant to clause (a), impose any terms and conditions that the council may specify.

(3) If a council exempts property from taxation pursuant to Subsection (1) or (2), the assessment for that property must appear on the assessment roll in each year of the exemption.

Definitions:

a. **Commercial District (C1)** - The area defined as C1 in the Town's Zoning Bylaw and includes the Mountain Street downtown commercial businesses.
b. **Community Service District (CS)** - The area defined as CS in the Town's Zoning Bylaw and includes Town-owned facilities, schools, churches, health care facilities, recreational buildings and areas, golf courses, and cemeteries.
c. **Council** - The Mayor and Councillors of the Town elected pursuant to the provisions of *The Local Government Election Act, 2015*.

d. **Current Status** - Means the account balance contains only amounts from the most current billing period and therefore is not yet subject to late payment penalties.
e. **Demolition Lot Development** - A residential lot that has a house or structure on it assessed at $100,000 or less, and the lot owner wants to remove the house and start rebuilding within one (1) year of removing the house or structure. If the house or structure is assessed greater than $100,000, but if at the discretion of Council, deems the house hazardous and an eyesore within the community, could be approved for Demolition Lot Development Incentives.
f. **High Profile Commercial (HPC) District** - The area defined as HPC in the Town's Zoning Bylaw and includes the Highway 20 commercial businesses.
g. **Improvement** - Capital changes that materially extend the useful life of a building and/or increase the value of a building.
h. **Incentive Period** - The period of time, measured in years, when the tax incentive applies, as prescribed in Sections 2, 3 & 4 of this policy.
i. **Infill Lot Development** - A lot that currently has, or at one time has had, residential development established.
j. **Increased Assessed Value** - The amount of new assessment values on property improvements as listed on the real property reports produced by the Saskatchewan Assessment Management Agency (SAMA).
k. **Industrial District (IND)** - The area defined as IND in the Town's Zoning Bylaw and includes development along Railway Avenue and the CPR rail line.
l. **Multi-Unit Residential** - Residential housing that includes two (2) or more units.
m. **New Residential Lot Development** - A lot that has never previously had residential development established.
n. **Residential District (R1, R2, CR)** - The area defined as R1, R2, and CR in the Town's Zoning Bylaw and includes all residential, multi-unit residential, and country residential development, with the exception of trailers, mobile homes, and trailer-style modular homes.
o. **Residential Mobile Home District (RMH)** - The area defined as RMH in the Town's Zoning Bylaw and includes the areas on Railway Avenue and Pierce Street specifically designated for trailers, mobile homes, and trailer-style modular homes.
p. **Tax Exemption** - The reduction of or abatement from taxes granted through an incentive/abatement policy or bylaw of a municipal government for a specified period of time.
q. **Town** - The Town of Strasbourg.

Policy:

1. ELIGIBILITY

The following are the eligibility requirements for the tax incentives for new or replacement homes and multi-unit residential dwellings, and new or replacement commercial and industrial buildings.

1.1 All zoning districts are eligible for tax incentives, except for the CS District.

1.2 All tax incentive policies will come into effect for building and development permits issued after this policy is approved and passed by Council. Prior to the passing of the

policy, no current or previous projects will be eligible for the tax incentive unless by resolution of Council.

1.3 All required demolition, building, and development permits must be completed, paid for, and approved by the Council as part of the qualification for tax incentives.

1.4 All taxes, utilities, and receivables owed to the Town and levied on the qualifying property must be in current status before the incentives will be granted and must be kept current throughout the duration of the project. The tax incentive automatically ceases when either the taxes, utilities, and/or receivables on the qualifying property go into arrears (January 1st of the following year).

1.5 If the applicant has an open building permit from a previous project, whether residential or commercial, the building permit on the previous project must be finalized prior to the tax incentive being granted.

1.6 The tax incentives apply to the assessment on both the land and improvements including both the municipal portion of taxes pursuant to Section 295 of *The Municipalities Act*, and the education portion of the taxes, pursuant to Section 9 of *The Education Property Tax Regulations*. In accordance with the *Education Property Tax Act*, exemption of education tax levies are subject to Ministerial approval.

1.7 The exemption period is by calendar year, beginning on January 1st of the year immediately following the year in which the building permit was issued by the Town.

1.8 Construction must be completed within two (2) years of issuance of the building permit to be eligible for the continuation of any incentive or as per agreement with the Town through resolution by Council on an individual project.

1.9 If the owner, prior to the end of the incentive time period, sells the qualifying property for which the incentive has been granted, the balance of the tax incentives shall be transferable to the new owner for the remainder of the incentive period.

1.10 Applicants must complete an "Application for Economic Incentive Tax Exemption" as prescribed in Schedule "A" of this policy at the time of application of the building permit. If this is not feasible, then at minimum, by December 31st of the year prior to the property becoming eligible for an incentive.

1.11 Full compliance with the Town's Zoning Bylaw, Official Community Plan Bylaw, and Building Bylaw, as well as the *Fire Safety Act* and National Building Code regulations shall be required. Failure to submit required documents by the property owner or their agent will result in the forfeiture of all rights to the incentives provided in this policy.

1.12 Any tax incentives given shall be authorized by Council resolution and subsequently implemented by signed and sealed bylaw of Council (sample bylaw as per Schedule "C") and shall come into effect as of that date of the bylaw.

1.13 The Council reserves the right to periodically review, eliminate, and modify this policy as they deem necessary.

2. RESIDENTIAL TAX INCENTIVES

The following conditions apply to new or replacement homes or multi-unit residential dwellings in R1, R2, CR, and RMH Districts. This does not apply to homes moved from one lot in Town to another lot in Town. This incentive is in place to assist in offsetting the costs associated with development, including lot purchase, demolition, etc.

2.1 Residential incentives will be based on the following criteria:

a. **Infill Lot Development** *(Empty residential lot that had previously established residential buildings)*

Year 1 – 100% of both land and improvements

b. **Demolition Lot Development** *(Residential lots that have buildings assessed under $100,000 and will be demolished to have a new home beginning to be built within one (1) year of demolition)*

Year 1 – 100% of both land and improvements
Year 2 – 100% of both land and improvements
Year 3 – 100% of both land and improvements

**Note: If the improvements on a property are demolished part-way through the year, the property owner will receive a pro-rated tax abatement for that demolition. The following year, the land and improvements will become tax exempt.*

2.2 The Town has several residential lots available for new development on the 300 block of Maple Street. Fourteen lots were developed in 2007 and only a few lots have sold in the past number of years. To encourage sale and development of these lots, Council has lowered the price of the lots to $10,000.00 plus GST as per the Town's New Subdivision Policy #PD-001. However, no residential tax incentives will be available for those who purchase one of these lots.

2.3 Infill lot development and demolition development incentives cannot be stacked. That is, if a lot is approved for a demolition development incentive, and is left as an empty lot for several years, but then developed later, the incentives do not reset at Year 1 for infill lot development.

2.4 Only buildings and improvements located in the RMH District on Railway Avenue will be eligible for exemption, and not the buildings and improvements located on the Town's RMH District rented lots on Pierce Street.

2.5 The following improvements and structures shall be eligible for incentives under this policy:

a. New construction of single family homes, semi-detached homes, duplexes, multi-unit dwellings (up to five (5) units) and apartments (up to five (5) units);
b. Ready-To-Move homes (RTMs), modular homes, mobile homes/trailers, and approved houses or buildings moved into Town.

3. COMMERCIAL AND INDUSTRIAL TAX INCENTIVES

The following conditions apply to new or replacement (through demolition) commercial or industrial buildings in the Town within the C1, HPC, and IND Districts. Buildings must be used for a commercial/business purpose. Tax incentives are not for additions to pre-existing commercial buildings.

3.1 Commercial incentives will be based on the following criteria for **new construction**:

Year 1 – 100% of both land and improvements
Year 2 – 100% of both land and improvements
Year 3 – 100% of both land and improvements

3.2 The following additional improvements and structures shall not be eligible for incentives under this policy:

a. Oil tanks and bulk fuel tanks
b. Utility or radio towers
c. Non-permanent or removable buildings, and buildings that have a steel floor, including steel I-beams, if not set on an approved permanent foundation, e.g. ATCO trailers
d. Junk or salvage yards
e. Any buildings or improvements listed as permitted or discretionary use in the CS District of the Town's Zoning Bylaw.

4. LARGE INDUSTRIAL, MANUFACTURING, COMMERCIAL, OR RETAIL TAX INCENTIVES

4.1 The Council of the Town of Strasbourg reserves the right to customize a tax incentive plan, on an individual basis, for any large industrial, manufacturing, commercial, or retail development.

4.2 To encourage manufacturing businesses to locate, operate, and provide employment opportunities within the Town of Strasbourg, Council may, in accordance with Section 295 and 298 of *The Municipalities Act*, and upon receiving written request, negotiate and enter into agreement on tax incentives that:

a. Includes abatement of both municipal and education tax levies up to a maximum of five (5) years
b. Includes abatement of municipal tax levies in excess of five (5) years.

5. COMMERCIAL/INDUSTRIAL PROPERTY REVITALIZATION GRANT

Due to the aging commercial buildings within the Town, a monetary grant to physically revitalize the look and character of commercial buildings is available. This grant money is used to assist business owners in enhancing their commercial businesses, which ultimately improves the Town's business district overall.

APPLICATION ELIGIBILITY

5.1 Owners or tenants of properties located within the C1, HPC, and IND are eligible to apply (Note: Tenants must provide the owner's written consent for project).

5.2 Property must be taxable and assessed as property class "Comm-Other."

5.3 Project must have a minimum value of $10,000 (excluding GST) and result in a significant aesthetic improvement.

ELIGIBLE PROJECTS

5.4 Primarily projects that are structural in nature that seek to revitalize the exterior of a building. Structural interior costs may be considered if the structural changes, in Council's opinion, significantly revitalize the business. The grant application must explain why the interior project will significantly revitalize the business.

5.5 Exterior projects include:

a. Repair or replacement of storefront, including repair or replacement of storefront doors and windows
b. Repair, replacement, cleaning, or repainting of façade
c. Repair or replacement of cornices, parapets, eaves, and other architectural details
d. Repair, replacement, or addition of awnings or canopies
e. Addition or upgrade of lighting fixtures on exterior façade, in entrance or storefront display areas
f. Installation of new signage or improvement of existing signage (signage must be part of an overall building/façade improvement project); standalone signs or any signage not attached to the building are ineligible
g. Architectural or design fees required for eligible projects (up to a maximum of 10% of the approved grant amount)
h. Rear and sides of building if:
    - Highly visible from Mountain Street, Highway #20, or Railway Avenue;
    - The front of the building is not included in the application; or
    - The front of the building is not in need of improvement
i. Other similar repairs or improvements subject to approval by Council

GRANT DETAILS

5.6 The Town will invest up to a maximum of $5,000.00 of eligible project expenses.

5.7 Projects must comply with any and all applicable Town bylaws (i.e. zoning bylaw, building bylaw) as well as Provincial and Federal legislation.

5.8 All taxes, utility, and receivables must be in a current status both at the time of application and prior to release of grant funds.

5.9 If the applicant has an open building permit from a previous project, whether residential or commercial, the building permit on the previous project must be finalized prior to the release of grant funds.

5.10 Applications require submission of at least one (1) cost estimate prepared by a contractor licensed to do such work, showing an itemized breakdown of materials and labour. If project is being completed by owner's themselves, a cost estimate of materials will suffice.

5.11 There is no time limit to complete the project.

5.12 Multiple applications for the same building may be approved subject to a five (5) year span between applications.

5.13 Grant funds will be paid in full when:

a. Agreement has been signed and executed
b. Project is complete
c. Project has been inspected by the Town
d. Receipt of before and after pictures
e. Receipt of copies of paid invoices

6. LARGE INDUSTRIAL, MANUFACTURING, COMMERCIAL, OR RETAIL TAX INCENTIVES

The Council of the Town of Strasbourg reserves the right to customize a tax incentive plan, on an individual basis, for any large industrial, manufacturing, commercial, or retail development.

To encourage manufacturing businesses to locate, operate, and provide employment opportunities within the Town of Strasbourg, Council may, in accordance with Section 295 and 298 of *The Municipalities Act*, and upon receiving written request, negotiate and enter into agreement on tax incentives that:

a. Includes abatement of both municipal and education tax levies up to a maximum of five (5) years;
b. Includes abatement of municipal tax levies in excess of five (5) years.

TOWN OF
STRASBOURG

SCHEDULE "A"
POLICY #PD-002
Application for Economic Incentive Tax Exemption

For Office Use		
Received By: _____	Date: _____	Roll No. _____

REGISTERED PROPERTY OWNER

_____
Name

_____
Mailing Address

_____
Email Phone Cell

PROPERTY – LEGAL DESCRIPTION & ADDRESS

_____
Lot(s) Block Plan No. Civic Address

TAX INCENTIVES

Check which incentive is being applied for:

- ☐ Residential Infill Lot Development
- ☐ Residential Demolition Lot Development
- ☐ Commercial/Industrial New Development
- ☐ Discretionary _____

I/We, the undersigned, understand the conditions of eligibility outlined in Policy #PD-002, and would like to apply for a tax exemption under the applicable tax incentive program.

_____ _____
Date *Signature of Registered Property Owner*

_____ _____
Date *Signature of Registered Property Owner*

TOWN OF
STRASBOURG

For Office Use

TAX INCENTIVES

Building Permit # _____ Building Permit Issue Date _____

Monies owed on accounts: Utilities (Y/N) Taxes (Y/N) Other Receivables (Y/N)

If monies owed, list amount: $_____

☐ **Residential Infill Lot Development**
100% land and improvements tax abatement for the 20___ taxation year

☐ **Residential Demolition Lot Development**
100% land and improvements tax abatement for the 20___ taxation year
100% land and improvements tax abatement for the 20___ taxation year
100% land and improvements tax abatement for the 20___ taxation year

☐ **Commercial/Industrial New Development**
100% land and improvements tax abatement for the 20___ taxation year
100% land and improvements tax abatement for the 20___ taxation year
100% land and improvements tax abatement for the 20___ taxation year

☐ **Discretionary**

Approved by Council on _____, 20___ Bylaw # _____.

Conditions, if any:

_____

_____

_____

SCHEDULE "B"

TOWN OF
STRASBOURG

POLICY #PD-002
Application for Commercial/Industrial Property Revitalization Grant

For Office Use		
Received By: _____	Date: _____	Roll No. _____

REGISTERED PROPERTY OWNER

_____
Name

_____
Mailing Address

_____
Email Phone Cell

PROPERTY – LEGAL DESCRIPTION & ADDRESS

_____
Lot(s) Block Plan No. Civic Address

_____
Size of Existing Building Existing Property Use

PROJECT REQUIREMENTS

1. Please attach a "Before" Construction Photo to this application.
2. Please describe the project that is eligible for the grant and how it will revitalize the existing commercial business: *(attach additional sheets if necessary)*

_____
_____
_____
_____
_____
_____

3. Please attach at least one (1) detailed cost estimate from a contractor licensed to perform such work or a material estimate if completing the work yourself.

4. Construction Cost Estimate/Eligible Costs *(must be $10,000+)* $_____

5. Construction Schedule
   Approximate Start Date of Construction _____

   Approximate End Date of Construction _____

I/We, the undersigned, understand the conditions of eligibility outlined in Policy #PD-002, and would like to apply for a commercial/industrial property revitalization grant.

_____ _____
Date Signature of Registered Property Owner

_____ _____
Date Signature of Registered Property Owner

For Office Use

REVITALIZATION GRANT

☐ **Before Photo Attached?**

Monies owed on accounts: Utilities (Y/N) Taxes (Y/N) Other Receivables (Y/N)

If monies owed, list amount: $_____

Approved by Council on _____, 20___ Resolution # _____

Conditions, if any: _____

_____

SCHEDULE "C"
POLICY #PD-002
DRAFT TAX EXEMPTION BYLAW

BYLAW NO. ___/___
TAX EXEMPTION BYLAW

A BYLAW TO PROVIDE FOR ENTERING INTO A TAX EXEMPTION AGREEMENT FOR THE PURPOSES OF ECONOMIC DEVELOPMENT

The Council of the Town of Strasbourg in the Province of Saskatchewan enacts as follows:

1. The Town of Strasbourg is hereby authorized to enter into an agreement, attached hereto and forming a part of this Bylaw, and identified as Exhibit "A", with _____ assessed owners of _____, to exempt said property from taxation for the purpose of economic development.

2. The Mayor and the Chief Administrative Officer of the Town of Strasbourg are hereby authorized to sign and execute the attached agreement identified as Exhibit "A".

_____
Mayor

[SEAL]

_____
Chief Administrative Officer

Certified to be a true copy of Bylaw No. ___/___ adopted by the Council of the Town of Strasbourg, on the _____ day of _____, 20___.

[SEAL]

_____
Chief Administrative Officer

EXHIBIT "A"
to Draft Bylaw No. ___/__

TAX EXEMPTION AGREEMENT

THIS AGREEMENT is made in duplicate effective on this _____ day of _____ 202____;

BETWEEN: Owner
Address
Strasbourg, Saskatchewan S0G 4V0
(in this Agreement referred to as the "Owners")

AND

The Town of Strasbourg
P.O. Box 369
Strasbourg, Saskatchewan S0G 4V0
(in this Agreement referred to as the "Town")

WITNESSETH THAT _____ are the owners of the land and improvements legally known as _____ and civically known as _____ (herein referred to as the "Property"); and

IT IS AGREED THAT

1. 100 per centum of the taxable assessment of said property shall be exempt from municipal and education taxation for the years 20__ to 20___ inclusive.

2. The exemption shall continue for said duration even if ownership changes on the Property.

3. The Owner hereby agrees to:
   - Demolish a pre-existing residence and outbuildings assessed at _____;
   - Construct a new residence and additional outbuildings on the pre-existing lot.

4. This Agreement shall be terminated upon:
   - Non-payment of all outstanding taxes, utilities, and receivables owed to the Town (on any property owned by the Owner) by December 31 of each year;
   - Failure to complete the project within two (2) years from date of building permit issuance;
   - Failure to comply with the Town's Zoning Bylaw, Town's Official Community Plan Bylaw, Town's Building, Bylaw, *The Fire Safety Act*, and/or National Building Code.

5. It is agreed that this written instrument embodies the entire Agreement of the parties hereto with regard to matters dealt with herein and that no understanding or agreements, verbal or otherwise, exist between the parties except as herein expressly set out.

Dated at the Town of Strasbourg this _____ day of _____, 202___.

TOWN OF STRASBOURG

_____
Mayor

[SEAL]

_____
Chief Administrative Officer

OWNERS

_____ _____
Owner 1 Witness

_____ _____
Owner 2 Witness

AFFIDAVIT OF EXECUTION

C A N A D A **PROVINCE OF SASKATCHEWAN** **TO WIT:**	I, _____, of the _____ of _____, _____ (occupation) make oath and say:

1. That I was personally present and did see _____, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein;

2. That the same was executed at the Town of Strasbourg in the Province of Saskatchewan, on the ____ day of _____, 202____, and that I am a subscribing witness thereto;

3. That I know the said _____ and they are in my belief the full age of eighteen years.

SWORN before me at the Town of Strasbourg in the Province of Saskatchewan, this ____ day of _____, 202___.	
A Commissioner for Oaths in and for Saskatchewan My appointment expires _____, 20_____	*(Signature of Witness)*