

TOWN OF TROCHU - POLICY

Economic Development Incentive Policy

POLICY No. 2023-04-10-01

POLICY NAME: Economic Development Incentive Policy

HISTORY: The Mayor and Council of the Town of Trochu have pondered ways to encourage “Economic Development” within the Town of Trochu and have held many discussions regarding this very pertinent and important concern. An ad hoc committee was established in 2011, to recommend Economic Development Incentives which could form part of the town’s policies. The proposed incentive structure was sent back to the Chief Administrative Officer for legal opinion and to be structured into a Policy Document.

PURPOSE:

The Council of the Town of Trochu desires a policy to outline “Economic Development Incentives” to potential clients and to expedite the process of attracting investors to the Town of Trochu.

TERM of this POLICY:

This policy shall come into effect upon passage. This policy may be revisited at any time and shall be revisited as part of the strategic planning session of the Council of the Town of Trochu.

POLICY GUIDELINES:

- 1) **Purchase of a Lot from the Town of Trochu**
 - a) Council will determine a price of all lots in inventory known as Lots for re-sale given costs to develop, economic climate, and any impediments to development.
 - b) This purchase price for all inventories shall be established and may be adjusted as per the change in market conditions.

- c) The Town of Trochu may negotiate certain terms and conditions on any lot held in inventory for re-sale.
 - d) All lots may be purchased from the Town at a price agreed upon by the Town with a minimum of 10% down with the balance due within one year from the date of purchase.
 - e) On a residential lot, a dwelling shall be commenced with all proper permits obtained within one year of purchase. The value of the dwelling is to exceed \$75,000.
 - f) On a commercial/industrial lot, a commercial/industrial building shall be commenced with all proper permits obtained within one year of purchase. The value of the building is to exceed \$100,000.
 - i. There shall be a one (1) year building commitment on each lot sold by the Town.
 - ii. The purchaser will sign a "Vendor's Lien" or similar documentation so that the land will be transferred back to the Town of Trochu after one year if the construction of a dwelling or commercial/industrial building (as appropriate) is not commenced.
 - g) While the Town of Trochu agrees to pay the legal costs of title transfers, all legal costs for registration of encumbrances against the property shall be the responsibility of the purchaser.
 - h) Should the land be transferred back to the Town of Trochu there shall be a 15% restocking charge billed to the purchaser.
- 2) **Section 347 of the MGA allows that a council**, if it considers it equitable to do so, may cancel or refund all or part of a tax. Legal Counsel has stated that "I am of the opinion, that s. 347 of the Act, as it refers to "cancel or refund all or part of a tax" means that a council decision to cancel the tax has to be made each year." Administration will provide Council with an annual report of eligible properties to be considered.

Therefore, to encourage economic development in our community the Town of Trochu will consider the cancellation of all municipal taxes to the following properties. Provincial taxes will remain in effect.

- a) **Commercial / Industrial/New Building / New Lot**
 - i) During the construction phase for a period of up to two (2) years the Council may consider cancelling 100% of all municipal taxes.
 - ii) During the first year after occupancy of the lot the Council may consider cancelling 100% of all municipal taxes.
 - iii) During the second year of occupancy of the lot the Council may consider cancelling 75% of all municipal taxes.

- iv) During the third year of occupancy of the lot the Council may consider cancelling 50% of all municipal taxes.
 - v) During the fourth year of occupancy of the lot the Council may consider cancelling 25% of all municipal taxes.
 - vi) The Council may consider cancelling any or all taxes on any Commercial or Industrial Property.
- b) Commercial / Industrial Expansion or Addition to an Existing Building**
The Town Council will consider cancelling taxes using the same formula based on the finished assessed value for properties who expand or add a building to their property. The value of construction must be greater than \$100,000.00.
- c) Residential New Build / New Lot**
- i) During the construction phase for a period of up to one (1) year the Council may consider cancelling 100% of all municipal taxes.
 - ii) In the first year of occupancy the Council may consider cancelling 100% of all municipal taxes.
 - iii) In the second year of occupancy the Council may consider cancelling 50% of all municipal taxes.
- d) Residential / New Build / Expansion or Addition to Existing House or Lot**
- i) The Town Council may consider cancelling taxes using the same formula based on the finished assessed value for properties who expand or add a home or revenue property to their property. The value of construction must be greater than \$75,000.
- e) The Council will consider giving four individual matching grants of \$2500.00 each annually to businesses to renew or refresh their store and business fronts. Grant applications shall be approved by the Municipal Planning Commission. Funds will be issued upon completion and inspection by the Municipal Planning Commission or representative.**
- f) From time-to-time, Council may review and assess other options, incentives and agreements for land and Council retains the right to assess each proposal on its own merit. Purchase and development of land from the Town or building development on private land does not guarantee incentives will be applied. Agreements shall be made prior to any development.**
- g) Binding of Agreements:**
- i) All agreements made prior to the expiry date of this policy shall remain binding until the expiry of the agreement.

- ii) All agreements made by the "Council of the Day" shall remain binding until the expiry of the agreement.

This policy replaces policy 2021-01-25-02.

This policy was passed in Council, April 10th, 2023.



Mayor, Barry Kletke



CAO, Carl Peterson

Reviewed: _____

Mayor Initials

CAO Initials

Reviewed: _____

Mayor Initials

CAO Initials

Reviewed: _____

Mayor Initials

CAO Initials