



COMMUNITY DEVELOPMENT IMPROVEMENT PLAN

ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

FOR

COMMERCIAL, INDUSTRIAL AND

MULTIPLE UNIT RESIDENTIAL DEVELOPMENT

March 2020

1. PROGRAM DESCRIPTION

The Economic Development Incentive Program grants will focus on accelerating commercial, industrial and multiple unit resident development in the Town's highway commercial, industrial and multiple unit residential zones. The Economic Development Incentive Program grants consist of a Tax Increment Based Grant Program. It is anticipated that these grants will act as a catalyst for increased development activities in the Town, which will in turn attract further businesses, residents and employment. Property owners that promote private sector investment, development, redevelopment and construction activity on underdeveloped lands in the Town are eligible to participate in these incentive programs. The description, criteria, and application process for these programs are outlined in the following pages.

Tax Increment Based Grant Program

- 1.1 This program provides an incremental tax grant to completed projects within the Town based on the project's economic value. Successful applicants will receive a rebate of a percentage of the post-project assessed values, for a period of 5 years for projects valued < \$5,000,000 or 10 years for projects valued > \$5,000,000. Financial savings resulting from this program can be significant

2. PROGRAM CRITERIA

General Conditions

- 2.1 The property must be located within the Town of Sackville in one of the following zones, as shown on the Town of Sackville Zoning Map: Mixed Use (MU), Urban Residential 3 (R3), Highway Commercial (HC) or Industrial / Business Park (IND).
- 2.2 The program only applies to the registered property owner.
- 2.3 The registered property owner shall not be in a position of tax arrears. All taxes and financial accounts, including utility accounts, owing to the Town shall be paid prior to the disbursement of any fee related grant
- 2.4 Eligible Financial Incentive Program Grant Projects must represent one of following types of projects on underdeveloped land:
 - a) Infill and redevelopment of under-utilized sites, and buildings.
 - b) Redevelopment of properties which involves the demolition of commercial, residential or industrial buildings. For properties involving the demolition of an existing building, the highest assessment over a 5-year period will be used.

c) Vacant land, and the highest assessment over a 5-year period.

- 2.5 Development must significantly (>\$500,000) improve or enhance the assessed value of the property.
- 2.6 Any property owner wishing to be considered for a grant under the Economic Development Financial Incentive Program must complete and submit an Application Form to the Town prior to the commencement of any works and prior to application for building permit.

Other Conditions

- 2.7 The applicant will be required to enter into an Agreement with the Town of Sackville that sets out the conditions of the grant.
- 2.8 The proposed development will commence no longer than 2 years following Town Council's approval of the grant or the grant will be cancelled. The 2-year period may be extended by Town Council at its absolute discretion.
- 2.9 The first grant payment will be made to the developer any time after the 1st of July of the following year of the final inspection, or as agreed between the owner and the Town, when the owner provides proof that their municipal taxes have been paid.

Tax Increment Based Grant Program

- 2.10 Within the Program, the maximum grant paid out by the program each year for a specific project cannot exceed the annual contribution made to the Capital Improvement Fund for that project.
- 2.11 Before any grant is provided to the applicant for a property for which a satisfactory grant application has been received and approved, the project has to be completed and property taxes are required to have been paid as billed each year and, the property shall be in compliance with the program's requirements and conditions.
- 2.12 Actual costs for any or all of the eligible items may be subject to independent audit at the expense of the property owner (i.e. where the Town requires an audit, criteria will be established).

TAX BASED INCREMENT (TBI) GRANT FORMULA

The grant amount will be determined by calculating the Grant Base which will be paid to the developer on a declining scale over the terms of the agreement.

Grant Base Amount Formula

Cost of construction (Building Permit Value) x (% of commercial building x 0.023 + % of residential of building x 0.015)

EXAMPLES:**5-Year Grant**

Grant Calculation for Projects < \$5,000,000	
Value of Construction (at the time of building permit application)	\$3,000,000.00
Municipal Tax Portion	x .0234
Grant duration in Year	5
Incremental Town Taxes	\$70,200
Grant Base Amount	\$69,000

TBI Grant – portion of increased incremental property taxes being redirected to Capital Improvement Fund to pay for TBI Grant for commercial investment over a 5-year period.

Year	% of Grant	Grant Amount	New Tax Revenue to Town
Year 1	90%	\$62,100	\$8100
Year 2	80%	\$55,200	\$15,000
Year 3	60%	\$41,400	\$28,800
Year 4	40%	\$27,600	\$44,400
Year 5	20%	\$13,800	\$56,400
TOTAL		\$200,100	\$152,700

10-Year Grant

Grant Calculation for Project > \$5,000,000	
Value of Construction (at the time of building permit application)	\$8,000000.00
Municipal Tax Portion	x.0234
Grant Duration in Year	10
Incremental Town Taxes	\$187,200
Grant Base Amount	\$184,000

TBI Grant – portion of increased incremental property taxes being redirected to Capital Improvement Fund to pay for TBI Grant for commercial investment over a 10-year period.

Year	% of Grant	Grant Amount	New Tax Revenue to Town
Year 1	91%	\$167,440	\$19,760
Year 2	82%	\$150,880	\$36,320
Year 3	73%	\$134,320	\$52,880
Year 4	64%	\$117,760	\$69,440
Year 5	55%	\$101,200	\$86,000
Year 6	45%	\$82,800	\$104,400
Year 7	36%	\$66,240	\$120,960
Year 8	27%	\$49,680	\$137,520
Year 9	18%	\$33,120	\$154,080
Year 10	9%	\$16,560	\$170,640
TOTAL		\$920,000	\$952,000

3. GRANT APPLICATION REVIEW AND APPROVAL

- 3.1 The CAO and/or designate will administer the Community Development Improvement Plan Financial Incentive Program. All applications will be evaluated by an Inter-Departmental working group made up of staff from Corporate Projects, Engineering, and Finance Departments. This group will be responsible for providing recommendations for Council's approval based on the program requirements specified in the Community Development Improvement Plan.
- 3.2 Council must approve any grant to be awarded.
- 3.3 Applications are filed utilizing the Financial Program Grant Application Form outlined in Schedule "A".
- 3.4 Eligible Funding Projects must be located within the following zones as shown on the Town of Sackville Zoning Map: Mixed Use (MU), Urban Residential 3 (R3), Highway Commercial (HC) or Industrial / Business Park (IND).

SCHEDULE A
FINANCIAL INCENTIVE PROGRAM
GRANT APPLICATION FORM

Section A – General Information and Instructions

1. An application for the Financial Incentive Program Grant must be submitted to the Town of Sackville prior to the commencement of any works and prior to application for building permit.
2. Such application shall include reports, plans, estimates, contracts and other details as may be required to satisfy the Town with respect to the eligible costs of the project and conformity of the project with the Municipal Development Plan.
3. As a condition of the grant application, the Town may require the applicant to submit a Business Plan, with said Plan to the Town's satisfaction.
4. The property shall be redeveloped such that the amount of work undertaken result in a significant increase in the assessed value of the property within the Mixed Use (MU), Urban Residential 3 (R3), Highway Commercial (HC) or Industrial / Business Park (IND) Zones, as shown on the Town of Sackville Zoning Map.
5. Costs for any or all of the items may be subject to audit by the Town, at the expense of the property owner.
6. All property owners participating in this program will be required to enter into an agreement with the Town which will specify the terms and conditions of the grant.
7. All grant applications will be considered by Council and only agreements approved by Council and signed, are valid.
8. If an agent is acting on behalf of the property owner, please ensure the required authorization is completed and executed by the property owner as provided in Section F.

Section B - Property Owner and Applicant / Agent Information

Property Owner Information

Name of Registered Property Owner: _____

Mailing Address of Property Owner: _____

Phone: _____ Email: _____

Applicant /Agent Information

Name of Agent: _____

Mailing Address: _____

Phone: _____ Email: _____

Section C - Property InformationCivic Address(es) of Property for which this Application is being submitted: _____

Property Identification Number(s) (PID): _____

Legal Description of Property (Lot and Plan Numbers): _____
_____**Existing Use**

Are there Existing Buildings on Site?

Yes _____ (if yes provide size below)

No _____

Building 1 _____sq. ft. Building 2 _____sq. ft.

(Please list any additional buildings on separate sheet)

Are there any outstanding work orders on this property? Yes _____ No _____

Section D - Property Tax Information

Current Property Taxes paid annually: \$ _____

Estimated Property Taxes Paid annually after redevelopment: \$ _____

Is this property or property owner in tax arrears? Yes _____ No _____

If yes, specify value of tax arrears and identify property (by PID(s)): \$_____ PID(s) _____

Section E - Development Information

Provide a detailed description (building size/type, number of stories, construction materials, etc.) of the proposed development to take place on the site (please attach detailed construction drawings).

Estimated construction value of the proposed development: \$_____

Estimated construction start date (Month/Year): _____

Estimated construction end date (Month/Year): _____

Section F - Authorization

I, _____, am the owner of the land that is subject of this application, and I hereby authorize our agent / solicitor to make this application and to act on my behalf in regard to this application.

Date: _____

Name of Owner Signature of Owner: _____

Section G - Sworn Declarations

I/WE HEREBY APPLY for a grant under this program.

I/WE HEREBY AGREE to abide by the terms and conditions of the Financial Incentive Program Grant as specified in this application.

I/WE HEREBY AGREE to enter into a Financial Incentive Program Agreement with the Town of Sackville that specifies the terms and conditions of the grant.

I/WE HEREBY AGREE to abide by the terms and conditions of the Financial Incentive Program Agreement.

I/WE HEREBY CERTIFY that the information contained in this application is true, correct and complete in every respect and may be verified by the Town of Sackville by such inquiry as it deems appropriate, including inspection of the property for which this application is being made.

I/WE HEREBY GRANT PERMISSION to the Town, or its agents, to inspect my/our property prior to, during, and after environmental remediation, site rehabilitation and project construction.

I/WE HEREBY AGREE that the program for which application has been made herein is subject to cancellation and/or change at any time by the Town in its sole discretion, subject to the terms and conditions specified in the Program. Participants in the program whose application has been approved and who have entered into the Financial Incentive Program Agreement with the Town, will continue to receive grant payments, subject to their Grant Agreement.

Date: _____

Name of Owner or Authorized Agent: _____ Title: _____

Signature of Owner or Authorized Agent: _____

CONTACT INFORMATION

For further information on the Town of Sackville Economic Development Incentive Program please contact:

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