

Town of Fairview

Department: Administration

Title: Development Incentive Policy

Updated: September 19, 2023

Approved: November 15, 2016

Policy:

Incentives may be granted by Council with the purpose of stimulating business/residential expansion and development within the Town of Fairview. The purpose is to decrease the number of vacant lots and encourage improvements and expansions to increase the long-term commercial and residential assessment.

Council will receive applications for new and expanding existing commercial and residential developments. The applicant's information will be evaluated, and the required assessments will be supplied by the town's assessors. Council, by resolution, will grant applicant rebates on their future municipal taxes based on the following criteria:

Definitions:

Business:

- A business that is currently licensed by the Town of Fairview.
- A business subject to commercial/industrial taxation. Home-based businesses are excluded.
- A developer shall be considered a Business for this policy.

Tax Rebate:

- Applicable municipal taxes will be rebated back to the applicant. Based on this policy and council resolution, the owner will initially pay taxes and be rebated back.
- The rebate will be attached to the property regardless of ownership.

Assessment:

- The value set by the town's assessor on improvements to property.

Procedure:

1. Commercial

Conditions:

- Application for the incentive must be made prior to the start of construction by the business.
- The tax rebate will be applied to commercial developments that have increased their pre-improved assessment values by a minimum of 50%.
- The rebate will also be applied to the assessed value of any new construction on the bare land.

- The rebate only applies to the increased assessment due to new construction.

The rebate for an expanding business will be applied as follows:

- ◇ 100% rebate in year one
- ◇ 75% rebate in year two
- ◇ 50% rebate in year three

The rebates are applied once the expansion (additions/improvements) or new construction is assessable. The rebate will be paid to the current owner at the time of tax notice. The rebate does not apply to the assessment of any land.

2. Residential

Conditions:

- The owner must make an application for an incentive prior to the start of construction.
- Residential properties that are new and/or increased by a minimum of 50% of the pre-improvement tax assessment value will qualify for a residential development incentive tax rebate on the assessment portion above the pre-improvement assessed value.
- The Rebate only applies to the increased assessment due to new construction.

The rebate for improvements to a residential property shall be applied as follows:

- ◇ 100% rebate in year one
- ◇ 75% rebate in year two
- ◇ 50% rebate in year three

The rebates are applied once the expansion (additions/improvements) or new construction is assessable. The rebate will be paid to the current owner at the time of tax notice. The rebate does not apply to the assessment of any land.

3. Incentive for Removal of Derelict Residential Buildings

A cash incentive will be given to property owners to cover some of the landfill costs incurred in the demolition of a dwelling under the following conditions:

1. The owner must make an application for the incentive prior to the start of demolition.
2. A new dwelling will be built within 1 year of demolition.
3. The demolition was in an R-1, R-2 or R-3 district.
4. The owner retains all landfill receipts.
5. Will be paid at the start of a new dwelling.
6. Will be paid to the owner of the property at the time that demolition occurred.
7. The incentive will be a maximum of \$2,500.
8. The Town will replace service connections to the property line.

4. Substantial Development Considerations

Council may consider multi-million-dollar developments on a case-by-case evaluation basis for a customized rebate framework or cancellation of municipal taxes on the increased assessment and for a duration longer than the previously listed rebate structures.