

TOWN OF THREE RIVERS POLICY

Three Rivers Municipal Revitalization Tax Incentive Program

Policy Number: TRG-6

Approved By: Town Council

Date of Approval: August 12, 2019

Objective

To provide a development incentive program that will encourage the attraction and/or expansion of new or existing commercial properties on or within view of Main Street, Montague, and Water and Kent Streets, Georgetown (the designated streets). This program is aimed at enhancing and maintaining the vitality of our community and to augment the tax base of the future.

Eligible Properties

This program is applicable to all properties (1) not zoned R-1 and (2) adjoining or able to be seen from the designated streets. Properties owned or used by government and/or government agencies are not eligible except where a non-profit community group has assumed, by long-term lease or legal agreement, responsibility for improvements, maintenance and taxes of the building. In these cases, the organization may make application. Proof that the property is not in tax arrears will be required. The Town's decision on eligibility will be final.

- **New Construction**

The project must be new construction either by demolition of an existing structure and new commercial structures erected or by purchase of a vacant property and new commercial structures erected and opportunities created.

- **Expansion/Renovation**

An expansion or renovation will qualify for the Incentive Program, providing the existing property structure is maintained or developed, and new commercial opportunities are created.

Incentive Available

The incentive is based on the increase of the real property tax assessment as a result of the project. The annual incentive is calculated on the increased assessment portion of the municipal component of property tax subsequent to the project being completed. The incentive allows for the temporary graduated Suspension of only the increase of the municipal portion of the assessed value of properties for a period of five years. The incentive is a diminishing incentive over a five-year period as follows:

- 100% municipal property tax in Year 1 on the portion of increased assessment.
- 90% municipal property tax in Year 2 on the portion of increased assessment.
- 75% municipal property tax in Year 3 on the portion of increased assessment.
- 50% municipal property tax in Year 4 on the portion of increased assessment.
- 25% municipal property tax in Year 5 on the portion of increased assessment.
- 0% year 6 and beyond.

As the Province collects taxes in Prince Edward Island, the applicable portion determined by the Town will be refunded to the applicant by means of a rebate.

Timely application Required

A Developer shall make application for the Program simultaneously with the application for a Building Permit from the Town of Three Rivers; otherwise the Program will not apply to that project. The onus to make a timely application is upon the Developer.

At the time of the application the applicant must provide to the satisfaction of the Town verification that there are no property taxes owing on the property.

Agreement

The Applicant and the Town of Three Rivers shall enter into an agreement upon completion of the project. The agreement shall include but not be limited to:

Verification that there are no property taxes owing on the property

An approved Municipal Building Permit for work completed on the property has been acquired.

Documentation demonstrating that there has been an increase in the property tax assessment and showing the amount of the increase over the beginning year.

To remain eligible for the Program, the applicant must submit annually, by January 31 each year, information to the satisfaction of the Town of Three Rivers demonstrating that there are no property taxes owing on the property previously developed in order to apply for any additional properties to be considered by the Three Rivers Municipal Revitalization Tax Incentive Program.

Other Programs

A Developer can receive the benefit of both this Program and any other Federal or Provincial incentive program but must inform the municipality of such additional program support.

A property/project for which the Affordable Housing Tax Incentive has been approved is not eligible for the Three Rivers Municipal Revitalization Tax Incentive Program.

Interpretation, Application and Appeal

The proper interpretation or application of the Program shall be determined by the Chief Administration Officer of the Town of Three Rivers. Where the interpretation of the Program raises questions in dispute, the matter shall be referred to the appropriate council committee, which shall make a recommendation to Town Council. Council's determination shall be final and binding.

Amendment

Town staff may recommend minor amendments to the Program and only after approval and adoption by the Three Rivers Town Council shall those minor amendments and recommendations become binding upon the Program.

This Program shall be evaluated on an ongoing basis to determine whether or not the goals and objectives of the Program are effectively and efficiently being met. Council may amend, alter, or terminate the Program.

Previous Policy

Projects approved under the Montague Municipal Revitalization Tax Incentive Program will be completed on the original schedule and terms.

As of the approval date of this policy, Three Rivers Municipal Revitalization Tax Incentive Program TRG-6, no further applications will be accepted under Policy TRG-4, Montague Municipal Revitalization Tax Incentive Program.