



Economic Development Tax Incentive Policy

Policy Number	A2
Policy Type	Zoning
Policy Name	Business Development Tax Incentives

This policy replaces the December 1, 2002 A2 Tax Incentives for Business Development Policy, the April 9, 2008 A2B Tax Incentive for Renovations Policy and the April 13, 2011 Community Appearances Incentive Policy.

Original Approval Date **May 25, 2016**

Guidelines for Qualifying Business

Businesses that qualify for a tax incentive under one of the below policies, are subject to the following guidelines:

1. Application for the Business Development Tax Incentive must be made in writing within one year of business commencing in the new building/space in order to be eligible for the incentive.
2. All incentive applications must be reviewed by council and approved by council resolution. Once approved, businesses do not need to apply annually; the incentive will be automatically applied annually by resolution of council.
3. The business owner must own the property.
4. The business owner will have the option for applying year one of the incentive to the current calendar year or following calendar year. Preference must be provided to the Town Office in writing at the time of application. Should no preference be indicated, the incentive will apply to the current year by default.
5. The incentive will be based on the municipal and education portion of property taxes owed at the time payment is received. Incentives do not apply to frontages, special levies or penalties.
6. The business's portion of the taxes and any applicable penalties must be paid in full prior to December 31 in order to qualify for the incentive for that year. After payment is received, the incentive portion will be applied to the balance of the tax account.
7. Incentives may be transferred between owners upon written application to and approval of council.
8. Once operations commence the business incentives granted shall be conditional to that business remaining in active operation.
9. The building's primary use must be deemed commercial or industrial. The incentive does not apply to businesses based in residential buildings.
10. This policy will apply to businesses approved for an incentive from January 1, 2016 forward. Businesses approved prior to that date will default to the policy in effect at the time of their approval.
11. Where a business qualifies for more than one of the below incentives, only one incentive shall apply which shall be the incentive with the highest value.

Policy A: New, Vacant and Expanding Businesses

Purpose: To encourage and support new businesses or expansion of businesses in the Town of Eston through reduction of taxes.

The Town of Eston will provide a reduction of municipal taxes to qualifying businesses for a five year period based on the following reduction schedule for businesses that qualify under one of the below criteria and meet the policy guidelines.

Year 1	60%
Year 2	50%
Year 3	40%
Year 4	30%
Year 5	20%

New Business Construction

1. Newly constructed buildings that are built to house commercial or industrial operations and meet the policy guidelines will qualify for the above incentive.

Business Established in Previously Vacant Building

2. New or existing businesses established in buildings that have been vacated for a period of at least two (2) years prior to purchase and meet the policy guidelines will qualify for the above incentive.

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Business Expansion

3. New or existing businesses that have increased their floor space related to sales and service by at least 50% and meet the policy guidelines will qualify for the above incentive.

Policy B: Renovations

Purpose: To support businesses that close during renovations through reduction of taxes.

The Town of Eston will provide a cancellation of municipal taxes up to a maximum of six (6) months for new or existing businesses that are close for a period to complete renovations.

The policy applies where an existing building was purchased and requires renovations prior to the business being open to the public or to an existing business that has to close and not be open for a period of time due to renovations. In all cases, the period of time the business is closed to the public must be greater than two (2) months to qualify.