

Downtown Revitalization Tax Incentive Program

Objective

To provide a development incentive program that will encourage the attraction and/or expansion of new or existing residential and commercial properties in the downtown. This program is aimed at enhancing and maintaining the vitality of downtown and to augment the tax base of the future.

Eligible Properties

This program is applicable to all properties in the area commonly known as south of Euston Street and more specifically described in "Appendix A". 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 City's decision on eligibility will be final.

New Property

The project must be new construction and relocation from an existing property within the City of Charlottetown does not qualify.

Expansion/Renovation

An expansion or renovation will qualify for the Incentive Program.

An expansion to consolidate existing businesses within the City of Charlottetown does not qualify.

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 increase assessment portion of the municipal component of real 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 (5) years. Any increase in the mill rate levied by the City of Charlottetown during the term of the program is not covered in the Downtown Revitalization Tax Incentive Program. 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
- 80% municipal property tax in Year 2 on the portion of increased assessment

- 60% municipal property tax in Year 3 on the portion of increased assessment
- 40% municipal property tax in Year 4 on the portion of increased assessment
- 20% 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 City will be refunded to the applicant by means of a rebate.

Timely Application Required

A Developer shall make application for the Program contemporaneous with the application for a Building Permit from the City 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 City verification that there are no property taxes owing on the property.

A Developer who applied for a Building Permit on or after January 1, 2003, but prior to the adoption of this Program by City Council, shall not be disqualified by reason of the above.

Agreement

The Applicant and the City of Charlottetown 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 City of Charlottetown Building Permit for work completed on the property
- Documentation demonstrating that there has been an increase in the property tax assessment and showing the amount of the increase over the Base Year.

To remain eligible for the Program, the applicant must submit annually by November 30th information to the satisfaction of the City of Charlottetown demonstrating that there is no property taxes owing on the property.

Other Programs

A Developer cannot receive the benefit of both this Program and any other City incentive program (i.e. Heritage Tax Freeze Program etc.) but must elect which single program they desire to seek assistance under.

Interpretation, Application and Appeal

The proper interpretation or application of the Program shall be determined by the City's Director of Corporate Services. Where in doubt, the matter shall be referred to the Economic Development Committee, which shall make a recommendation to City Council. Council's determination shall be final and binding.

Administration

The Downtown Revitalization Tax Incentive Program shall be administered by the Economic Development Committee.

Amendment

City Staff, after consultation with the Economic Development Committee, may make minor amendments to 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, upon the recommendation of the Economic Development Committee, may amend, alter or terminate the Program.

Thursday, March 27, 2003