



TO: Committee of the Whole

FROM: Jennifer Taylor, Chief Administrative Officer

DATE: June 4, 2020

RE: **Tax Concession Request**

ISSUE:

An application has been received from Salon D’Lux under the Tax Concession Policy (see attached).

BACKGROUND:

P2003-004 Tax Concession Policy establishes guidelines for Council’s consideration of granting property tax concessions. The policy indicates that commercial-industrial buildings of new construction, may receive 100% for the 1st year property tax and 50% for the 2nd year property tax. The granting of property tax concessions is solely at the discretion of Council.

ALTERNATIVES:

1. Committee of the Whole can recommend that Council approve the request.
2. Committee of the Whole can recommend that Council deny the request.

FINANCIAL IMPLICATIONS:

Granting the tax concession would result in an adjustment of \$3,977 which is not budgeted. Adjustments and abatements for 2020 were budgeted at \$1,600, and \$1,562 has been spent.

ANALYSIS:

Salon D’Lux was constructed in 2019 and has been in operation at 69 1st St NE since December. All accounts with the Town, including utilities and business licence, are current. There have been no tax concessions issued for this property in the past 5 years.

ADMINISTRATIVE RECOMMENDATION(S):

“THAT the tax concession application for 69 1st St NE be approved in accordance with P2003-004 Tax Concession Policy.”

ATTACHMENT:

A. Korolchuk Tax Concession Request
P2003-004 Tax Concession Policy

Dear Mayor Greg & honorable Council Members.

I, Ashley Korolchuk, am writing to you to ask to be considered for your Commercial tax Concession. It has been a pleasure bringing a new business in to town and would be greatly appreciated if I was able to save money on taxes.

Thank you for your time.

Ashley Korolchuk





POLICY NAME: Tax Concession Policy		LAST UPDATED: December 17, 2019	
		SUPERSEDES POLICY:	
POLICY AREA: Administration	POLICY NUMBER: P2003-004	APPROVAL DATE: October 6, 2003	PAGE: 1 of 2

PURPOSE

The policy provides guidelines for consideration of tax concession applications for new businesses in Wadena.

RESPONSIBILITIES

The granting of property tax concessions shall be solely at the discretion of council, giving consideration to the merits of each application.

PROCEDURE &/OR GUIDELINES

Tax concessions may be granted to businesses in accordance with the following:

- a) The owner of the business property must make application in writing requesting a tax concession.
- b) Property Tax concessions may be granted as follows:
 - i. For Commercial-Industrial buildings of new construction only:

100%	for 1st year property tax
50%	for 2nd year property tax

 - ▶ Tax concessions for Section i. to commence once building is completed.
 - ii. For existing Commercial-Industrial buildings where:
 - 1) A vacant building is purchased and a new business established:

50%	for 1st year property tax
25%	for 2nd year property tax
 - 2) A business, currently in operation, is purchased by a new owner:

35%	for the 1st year property tax
20%	for the 2nd year property tax
 - 3) A vacant building is leased to a business, or a portion of an occupied building is leased to another business:

15%	for the 1st year property tax
10%	for the 2nd year property tax

 - ▶ Tax concessions for all businesses under Section b) ii. to commence after the business has been in operation for one full year.
 - ▶ Buildings with multiple occupancies shall be prorated accordingly.
 - ▶ Where multiple occupancies exist in a building, the portion of occupancy shall be determined by a physical inspection of the property.
 - ▶ Only one tax concession shall be granted per property every five years.
- c) Owners and/or owners and lessees must ensure that all accounts with the Town are kept current. Failure to keep accounts current may result in tax concessions being withdrawn and in turn taxes being levied at current year rates.



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d) Tax concessions shall not apply to any business taxes or local improvements levied.