



## STAFF REPORT

**Title:** Policy No. 120-FN-10 - Business Retention and Attraction Incentive Program (BRAIP) Policy

**Meeting Date:** December 10, 2019

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### **Executive Summary:**

Annual review of the Business Retention and Attraction Incentive Program Policy No. 120-FN-10 and authorize continuation of the program for 2020 and revisions to the Policy regarding the timeline for application submissions.

### **Background:**

At Council's regular meeting of November 12, 2019, Council postponed this item to the December 10, 2019 regular meeting of Council.

The Business Retention and Attraction Incentive Program (BRAIP) Policy No. 120-FN-10 was originally adopted by Council on March 16, 2010 to provide a financial incentive in the form of a municipal tax rebate to business owners who enhance existing buildings, construct new buildings/additions to buildings or demolish existing buildings. The policy was originally approved in 2010 to run for an initial 2 year period and has been renewed and revised by Council several times since. The policy was substantially revised in January 2017, to increase the incentive amount from 50% of the difference in the pre-and-post construction tax levy to 100% of this difference. The policy was also revised to offer a one-time, 10% rebate for projects consisting of renovations that do not enlarge the building.

The number of applications received in each year of the program are as follows:

- 2010 – 4
- 2011 – 2
- 2012 – 0
- 2013 – 1
- 2014 – 2
- 2015 – 3
- 2016 – 2
- 2017 – 4
- 2018 – 3
- 2019 – 5



It should also be noted that Administration includes a reminder about the BRAIP program with the annual Business Licence renewal notices to increase awareness of the program. Despite efforts to raise awareness, and the significant adjustments to the policy in 2017 to make the program more attractive to prospective applicants, uptake of the program is still low.

Section 4.4.2 of the policy currently states:

*“The program application form must be submitted within ninety (90) days of issuance of the Development Permit and/or Building Permits for the project. In cases where a qualifying project does not require permits, the incentive program application must be submitted and approved prior to commencement of any work beginning on the project.”*

Administration has noted that, towards the end of each year since 2017, qualifying projects are observed in the community that have not taken advantage of the BRAIP program. In both 2017 and 2018, Council approved an amendment to the Policy which effectively waived the application timelines specified in Section 4.4.2 of the policy and extended the application deadline for qualifying projects to December 31 of the given year. As the City is facing this same scenario in 2019, Administration is recommending a revision to the policy to make the deadline for BRAIP applications December 31 of any given year. Doing so would allow Administration to review building activity in the fall of each year (when construction activity is typically winding down) and contact eligible property owners to encourage them to apply for the BRAIP, without the need for Council to authorize a waiver of the application timelines each year.

Administration has also encountered several applications in the past few years where a property is found to be in tax arrears at the time the BRAIP application is submitted. Currently, the policy simply states that properties in tax arrears are not eligible. In practice, Administration has contacted the applicant to provide them with an opportunity to rectify the tax arrears, rather than automatically refusing the BRAIP application. Typically, this results in the tax arrears being resolved very quickly. In several cases, however, the arrears have not been paid and a decision on the BRAIP application has been deferred for an extended period. As presented, the policy has been updated to formally address this type of scenario by giving applicants up to six (6) months to rectify their tax arrears, after which the BRAIP application would be refused. The intent of the proposed change is to allow BRAIP applicants (who would otherwise qualify for the program) a reasonable period of time to rectify any tax arrears but also to establish a limit to how long an application may be held before it is deemed refused.

In accordance with Section 4.2, the BRAIP policy is to be reviewed by Council on an annual basis. Administration is recommending that Council pass a motion to adopt



revised Policy No. 120-FN-10 as presented, and direct Administration to continue to accept applications for the program until December 31, 2020. The program will be brought forward for review again in late 2020.

**Alternatives:**

Council may consider the following alternatives:

1. Pass a motion to adopt revised Policy No. 120-FN-10 as presented and direct Administration to continue to accept applications for the program until December 31, 2020.
2. Defeat a motion to adopt revised Policy No. 120-FN-10 as presented and direct Administration to continue to accept applications for the program until December 31, 2020.
3. Accept as information only.

**Recommended Action:**

Administration recommends that Council pass a motion to adopt revised Policy No. 120-FN-10, being the Business Retention and Attraction Incentive Program (BRAIP) Policy, as presented, and direct Administration to continue to accept applications for the program until December 31, 2020.

**Budget Implications (Yes or No):**

Yes - continuation of the BRAIP program will impact future budget cycles.

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer