

TOWN OF BONNYVILLE

REQUEST FOR DECISION

Date: August 19, 2024

Submitted By: Administration

Meeting Date: August 27, 2024

SUBJECT: Roll #00461300 Non-Residential Tax Incentive Appeal

BACKGROUND: Administration received an application from 1837569 Alberta Ltd. for an Exemption and Tax Incentive Agreement for Roll #00461300, a new improvement constructed on 6708-50 Avenue, known as Overdrive Heavy Duty Services. Upon review of the criteria requirements for approval of the Exemption and Tax Incentive Agreement, it was discovered that section 4.1b) of Bylaw No. 1556-23, the Non-Residential Tax Incentive Bylaw was not being met. This section states:

- 4.1 New Developments and Renovated Developments may be eligible for an Exemption and Tax Incentive Agreement provided that:
- b) The property subject to the New Development or Renovated Development must not have development compliance issues, be in violation of a development agreement, or be in violation of the *Safety Codes Act* at any time during the taxation years for which the Exemption applies to the New Development or Renovated Development.

This application was refused based on the deficiency under section C2-4-4-1 of the *Safety Codes Act* where the Architectural C1-C2 schedules remain outstanding. It was noted in the refusal letter that, upon submission of these schedules, the application would be reevaluated.

OTHER COMMENTS: As per the appeal letter received from Willy Cole, President of Overdrive Heavy Duty Services Ltd., these deficiencies are in relation to an interior staircase and a steel exterior staircase. The interior staircase was built to residential standards to accommodate the required space in the upper storage room. The exterior staircase includes non-closed risers and lack of spindles. The letter states that performing the adjustments required to obtain the C1 and C2 schedules would be cost prohibitive as they would require significant structural changes, and the decision to make these changes to the stairs were made prior to the Non-Residential Tax Incentive Program coming into effect. The appeal letter also states that these stairways are not open to the public and are only accessible by a very limited number of employees and these issues are identified as non-life safety issues.

The Town's Planning and Development staff has had conversations with representatives from Overdrive Heavy Duty Services and provided an option for them to contact the Safety Codes Council to apply for a variance of the building code for these deficiencies and if the variance was granted then the Schedule C's could be supplied. As per the email correspondence, Overdrive has spoken to a consultant, and they can't get compliance on the issue with the interior stairs and a variance on this item is not realistic.

The estimated property tax exemption amounts based on the difference between the 2023 and 2024 assessment amounts and the 2024 Municipal Tax Rate are as follows:

Year 1 @ 100%	\$17,000
Year 2 @ 100%	\$17,000

Year 3 @ 100%	\$17,000
Year 4 @ 75%	\$12,750
Year 5 @ 50%	\$ 8,500
Total	\$72,250

REPORT/DOCUMENT: Attached Available NIL

1. Roll #00461300 Non-Residential Tax Incentive Appeal
2. Roll #00461300 Non-Residential Tax Incentive Application
3. Roll #00461300 Copy of Refusal Letter
4. Roll #00461300 Email Correspondence
5. Bylaw No. 1556-23 Tax Exemption for Non-Residential Development and Expansions

KEY ISSUE(S)/CONCEPT: To ensure the administration of the program for Tax Exemption for Non-Residential Development and Expansion adheres to the legislation.

DESIRED OUTCOMES: That Council deny the appeal for the tax exemption for Roll #00461300 for the property located at 6708-50 Avenue as the criteria requirements for exemption per the Bylaw have not been met.

OPTIONS:

1. Uphold the decision of the CAO to refuse the application for Roll #00461300
2. Revoke the decision of the CAO to refuse the application for Roll #00461300 and enter into a Tax Incentive Agreement beginning in 2024 for a 5-year period.

RELEVANCE TO STRATEGIC PLAN:



Communications Strategy



Economic Growth



Recreation & Wellness



Service Excellence



Value Added Services

RECOMMENDATION: THAT Council uphold the decision of the Chief Administrative Officer to refuse the application for tax exemption for Roll #00461300 for the property located at 6708-50 Avenue due to the criteria requirements in Bylaw No. 1556-23 not being met.

Renee Stoyles
General Manager of Corporate Services

Bill Rogers
Chief Administrative Officer