



POLICY

POLICY NO: 357 **APPROVAL DATE:** June 14, 2021
TITLE: Development Incentives and Grants (DIG) Program **REVISION DATE:**
SECTION: Finance **PAGE 1 OF 4**
DEPARTMENT: Economic Development

POLICY STATEMENT

The City of Grande Prairie (“City”) is committed to supporting business development and investments that create jobs, stimulate the local economy and expand a diversified tax base.

The Development Incentives and Grants (“DIG”) Program provides financial assistance through grants designed to stimulate business development, building activity and continued local employment in the construction industry by encouraging reinvestment in buildings and property throughout the City and new residential infill development in the City’s core.

REASON FOR POLICY

To encourage Industrial and Commercial investment attraction and to stimulate building activity through residential infill development and business property revitalization projects.

RELATED INFORMATION

1. The following financial incentives are applicable to Industrial and Commercial properties within the City through the DIG Program:
 - a. New Business Development Grant:
 - i. For new large scale Commercial or Industrial developments with a taxable assessment increase of over Twenty-Five Million (\$25,000,000.00) Dollars, an annual grant in the form of a rebate, equal to one hundred percent (100%) of the general municipal tax portion of the Incremental Assessed Value of the property in the first year, decreasing by ten percent (10%) annually for nine (9) additional years. For clarity, the rebate amount for an eligible annual New Business Development Grant is calculated as follows:

Year	1	2	3	4	5	6	7	8	9	10	11
Grant Amount	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%

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b. Business Retention and Expansion Grant:

- i. For the expansion of existing Commercial or Industrial businesses through addition or renovation with a minimum taxable assessment increase of One Million (\$1,000,000.00) Dollars and which increases assessed value by a minimum of twenty-five percent (25%); or for Commercial or Industrial Demolition, infill, rehabilitation or Adaptive Reuse of vacant or under-utilized land/buildings with a minimum taxable assessment increase of One Million (\$1,000,000.00) Dollars and which increases assessed value by a minimum of twenty-five percent (25%); an annual grant in the form of a rebate equal to one hundred percent (100%) of the general municipal tax portion of the Incremental Assessed Value of the property in the first year, decreasing by twenty-five percent (25%) annually for three (3) additional years. For clarity, the rebate amount for an eligible annual Business Retention and Expansion Grant is as follows:

Year	1	2	3	4	5
Grant Amount	100%	75%	50%	25%	0%

c. Business Revitalization Grant:

- i. For Commercial or Industrial exterior building and property improvements with a minimum Hard Cost of Ten Thousand (\$10,000.00) Dollars, a grant matching fifty percent (50%) of construction costs up to a maximum grant amount of Twenty-Five Thousand (\$25,000.00) Dollars. For clarity, an eligible Business Revitalization Grant amount shall not be less than Five Thousand (\$5,000.00) Dollars or more than Twenty-Five Thousand (\$25,000.00) Dollars.

2. The following financial incentives are applicable to residential properties within the City through the DIG Program:

a. Residential Infill Grant:

- i. A grant of Fifteen Thousand (\$15,000.00) Dollars per lot for the new construction or Reconstruction of a Single Detached Dwelling, Duplex or Multi-Attached Dwelling within the eligible Residential Infill Area as shown in Schedule A.

b. Municipal Fee Rebate:

- i. A grant equal to the City imposed portions of all Inspection Services Permit Fees, Engineering Services Fees and Planning & Development Fees to a maximum of Ten Thousand (\$10,000.00) Dollars for new residential construction projects. Amounts remitted to other levels of government, charged as a result of a penalty or relating to construction not approved under this Policy remain payable; and
- ii. Land Use Bylaw Amendment Fees as outlined in the [Fees, Rates and Charges Bylaw C-1395](#), may be rebated one hundred percent (100%) for an approved application and fifty percent (50%) for applications not approved.

3. All applications must be submitted to the program coordinator and will be available on a first-come, first-served basis.

4. All development must conform to the City’s [Land Use Bylaw C-1260](#).

5. This Policy will be repealed after all monies allocated to the DIG program have been assigned, or at any time at City Council’s discretion.

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DEFINITIONS

Adaptive Reuse - means the renovation and reuse of pre-existing structures for new purposes.

Business Retention and Expansion Grant - means a grant to an existing business/property owner for construction enabling expanded business opportunity including new construction, infill or Adaptive Reuse of existing buildings.

Business Revitalization Grant - means a grant to a business/property owner for exterior building or property improvements which improve aesthetic appeal, access and/or safety.

Commercial - means a building or property used or intended to be used, in whole or in part, for Commercial purposes.

Commercial Purposes - means those permitted uses or discretionary uses approved through a City development permit within Commercial land use districts as defined by the [Land Use Bylaw C-1260](#), excluding permanent living accommodation, government owned businesses/properties and facilities intended for religious assembly or the not for profit delivery of community, educational, health, and/or recreation services.

Demolition - means the removal or partial removal of a building structure, requiring a Demolition permit. This must conform to the City’s Inspection Services’ Demolition permit requirements.

Development Incentives and Grants (DIG) Program - means the financial support available under the DIG Program that includes

1. New Business Development Grant;
2. Business Retention and Expansion Grant;
3. Business Revitalization Grant;
4. Residential Infill Grant; and
5. Municipal Fee Rebate.

Duplex - means a development consisting of a building containing only two (2) dwellings, with one (1) dwelling placed over the other in whole or in part, or with back to back orientation. Each dwelling has an individual and separate access. This use does not include Secondary Suites or Semi-Detached Dwellings.

Engineering Services Fees - means all fees relating to eligible developments for excavation permits and barricading or lot grading permits as outlined in the [Fees, Rates and Charges Bylaw C-1395](#), excluding any fees collected as deposits and development levies.

Hard Cost - means labour and materials for the building structure.

Incremental Assessed Value - means the increase in the assessed value of property subsequent to improvements. For example, if preconstruction taxable assessment was One Million (\$1,000,000.00) Dollars and post-construction taxable assessment was Five Million (\$5,000,000.00) Dollars the Incremental Assessed Value would be Four Million (\$4,000,000.00) Dollars.

Industrial - means a building or property used or intended to be used, in whole or in part, for those permitted uses or discretionary uses approved through a City development permit, within the business industrial, general industrial, heavy industrial or rural industrial land use districts as defined by the [Land Use Bylaw C-1260](#).

Inspection Services Permit Fees - means all fees relating to eligible developments for building, electrical, plumbing, or gas permits, occupancy certificate, or any miscellaneous permit fees as outlined in the [Fees, Rates and Charges Bylaw C-1395](#).

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Multi-Attached Dwelling - means a residential building containing three (3) or more dwelling units separated by common walls and located either on a single site or each unit on a separate individual lot, each dwelling unit having at least one (1) separate entrance. This definition applies to forms of housing that include, but are not limited to, townhouses, street-oriented townhouses, row houses, triplexes and fourplexes.

Municipal Fee Rebate - means a grant to a residential builder to offset fees paid to the City Engineering, Inspection and Planning departments.

New Business Development Grant - means a grant to a property owner for a large scale Commercial or Industrial development.

Planning & Development Fees - means all fees relating to eligible development permits, compliance/zoning certificates, land use bylaw amendments, planning applications and miscellaneous fees as outlined in the [Fees, Rates and Charges Bylaw C-1395](#).

Reconstruction - means a change, alteration or repair to a residential building that qualifies under the *New Home Buyer Protection Act (Alberta)*, meaning that at least seventy-five percent (75%) of the enclosed square footage of the residential building above the foundation at the completion of the change, alteration or repair is new.

Residential Infill Area - means the area defined by City Council specifically for the purpose of the DIG Program as indicated in Schedule A.

Residential Infill Grant - means a grant to a property owner for the building of single family, Duplex and Multi-Attached Dwellings.

Single Detached Dwelling - means a building containing one (1) dwelling unit but does not include a manufactured home.

RESPONSIBILITIES

City Council will review and approve any revisions to this Policy.

City Manager will review and approve any procedures related to this Policy.

City Administration will carry out the policy based on established procedures.

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SCHEDULE A

