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## Incentive Application – JNE Welding Ltd.

### Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the application from JNE Welding Ltd. for a five-year tax abatement on the incremental portion of taxes at 3915 Thatcher Avenue, as a result of its development in 2019, be approved as follows:
  - 100% in Year 1;
  - 80% in Year 2;
  - 70% in Year 3;
  - 60% in Year 4;
  - 50% in Year 5; and
2. That the City Solicitor be instructed to prepare the appropriate agreements.

### Topic and Purpose

The purpose of this report is to obtain City Council approval for a five-year tax abatement on the incremental portion of taxes at JNE Welding Ltd.'s development at 3915 Thatcher Avenue.

### Report Highlights

1. JNE Welding Ltd. has met the eligibility requirements of Council Policy No. C09-014, Business Development Incentives.

### Strategic Goal

This report supports the long-term strategy of creating a business-friendly environment where the economy is diverse and builds on our city and region's competitive strengths under the Strategic Goal of Economic Diversity and Prosperity.

### Background

City Council approved Council Policy No. C09-014, Business Development Incentives, on October 15, 1991, with the most recent updated approved on March 26, 2012.

The purpose of this policy is to make incentives available to businesses which meet the eligibility requirements listed within this Policy to:

- encourage them to locate or expand their operations in Saskatoon in order to create long-term, skilled or semi-skilled jobs;
- provide tax relief that will flow to companies creating new jobs;
- place Saskatoon in a competitive position in attracting businesses that it would not otherwise occupy;
- increase the long-term viability of a project; or
- demonstrate the City of Saskatoon's commitment to a business or industry.

### **Report**

Attachment 1 is a report from Jonathan Huntington, Chair, SREDA Board of Directors. The report is self-explanatory and provides the required information for City Council to consider the request from JNE Welding Ltd. for a five-year tax abatement.

### **Options to the Recommendation**

City Council has the option of denying the tax abatement; however, that would be contrary to the Policy.

### **Financial Implications**

The tax abatement will be offset by an equivalent amount of incremental property tax until it expires in year five. The impact in the first year is estimated at \$11,608. The total estimated value of the five-year abatement is \$41,789.

### **Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations, and neither a communication plan nor public and/or stakeholder involvement is required.

### **Due Date for Follow-up and/or Project Completion**

A further follow-up report is not required; however, the abatement will be subject to an annual compliance audit undertaken by SREDA.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachment**

1. Report from Jonathan Huntington, Chair, SREDA Board of Directors, June 27, 2018

### **Report Approval**

Written and

Approved by: Mike Voth, Acting General Manager, Asset and Financial  
Management Department