

Amendment to Council's rates remission policy

Incentives for business expansion

Introduction

1. Council recognises the value that the District's businesses provide in terms of local employment and services. Some businesses play an important part in attracting non-residents to visit and spend money in the District; others have a significant regional or national presence and (particularly farming businesses) may be significant exporters. Some businesses have been operating within the District for many years, and that plays a part in building the community's cohesiveness and resilience.
2. Continuity for many businesses requires growth and expansion. Council has some ability to encourage this, not only by ensuring that the appropriate infrastructure (roading, water, wastewater and stormwater services) are available, but also through reducing rates for a while and the user-pays component of building and resource consent fees.
3. This policy applies to all businesses in the District which are
 - a. extending their buildings;
 - b. increasing their permanent staff count; and/or
 - c. investing in technology or equipment to increase their efficiency and/or market reach.
4. This policy does not distinguish between types of business enterprise – expansion of a farming enterprise is potentially as eligible for consideration as expansion of clothing retailer.
5. Local ownership and management is not a pre-requisite for eligibility (but it is an attribute taken into account when Council considers an application for remission).

Scope of remission

6. A full or part remission of rates over the property where the expansion is occurring may be granted for up to five years.

7. Remission may be calculated on the difference between the new and previous valuation of the property following completion of the building expansion.
8. Remission may be for the full extent of rates or over a specified portion (e.g. over the general rate but still requiring payment of the uniform annual general charge and any targeted rates).
9. Any remission granted is to the ratepayer of the property. It is transferable to a successive owner of the property provided the extent of the business is not reduced.
10. Any remission granted will take effect from the next rates instalment but will always end at the end of Council's financial year (i.e. 30 June).

Consideration of applications

11. Applications for a remission of rates may be made at any time to the Council's Chief Executive.
12. Council will consider the application having regard for the six attributes in the table below. Each attribute will be scored on a five point scale (1 being the lowest and 5 the highest) and weighted according to the specified significance.
13. No rates remission will be granted to an application which scores fewer than 5 unweighted points for the two attributes of high significance.
14. The score evaluation will be conducted in open meeting. However, as section 38(1)(e) of the Local Government (Rating) Act prohibits public disclosure of remissions, the determination of the basis for a remission and setting of the actual amount and term of the remission will be determined by Council in a public excluded session.

Administration

15. During March of each year, Council will review whether the basis of granting the remission remains valid. The ratepayer of the property will be required to provide evidence of this to Council's Chief Executive. If the evidence is not sufficiently conclusive, Council will be informed and, having considered the matter, may vary or terminate the remission.

Considerations in remission of rates as an incentive for business expansion

ATTRIBUTE	EXPLANATION	SIGNIFICANCE
Employment opportunities	Regard will be given to the number of new jobs created by the expansion, their characteristics (seasonal/skill etc.) and the likelihood that they will be filled by people who live locally	High (25%)
Previous impact of the business on the local economy	Regard will be given for the significance of the business in the local (or district) economy, and how the business has complemented, supported or developed other enterprises	High (25%)
Previous impact of the business on the local community	Regard will be had for how the business has engaged with the community, e.g. by way of sponsorship, involvement with volunteer groups etc.	Medium (15%)
Stability of investment	Regard will be had for likelihood of the expansion being sustained over the longer term	Medium (15%)
Technological leadership	Regard will be had for the extent to which the business applies/develops technology to improve the quality of its product, extend market reach etc.	Low/Medium (10%)
Ownership structure	Regard will be had for the extent to which the business is owned and managed locally	Low/Medium (10%)