



STAFF REPORT

SUBMITTED BY: Chris Frotten

DATE: February 6, 2024

SUBJECT: Commercial Development District

STRATEGIC OBJECTIVE: 4.2.3

ORIGIN

Strategic objective 4.2.3 is to promote the Municipality as being open for business. This staff report provides information on the establishment of a Commercial Development District (CDD) which would work towards achieving this objective.

BACKGROUND

In 2016, the Minister of Municipal Affairs introduced Bill 177 in the Legislature to amend the *Municipal Government Act* and the *Halifax Regional Municipality Charter* to create the ability for municipalities to phase in some commercial assessments. Bill 177 was ultimately passed and became Chapter 13 of the Acts of 20161.

These amendments allow a phase in of commercial assessment increases over a period not exceeding ten years in an area designated a commercial development district. Commercial assessment phase in was designed to be a new tool for municipal units to attract investment to the downtown and support brownfield redevelopment. The phase in assessment tool does not change property tax rates. Instead, it is designed to phase in commercial assessment increases either due to commercial investment or new construction, including brownfield remediation, for lower commercial property tax bills.

The amending Act that enables this tool directs a municipality to designate a commercial development district in accordance with its municipal planning strategy (MPS) and develop a by-law respecting the use of the tool in this area. The designated commercial development district must be serviced by water and wastewater infrastructure. Commercial properties within the designated commercial development district and meeting the criteria established by the municipality would be eligible for the phase in of assessment. A formula to phase in these increases annually cannot allow the municipality to forego more than 50% of the tax revenue generated by either the investment or redevelopment over a maximum of ten years.

In its by-law, council must identify the base year to which the by-law applies, the applicable phase in period, and a formula to be applied to any increase in the assessed value over the base year. It must also identify the parameters of the properties to be included, and it is encouraged that the threshold also be identified in the by-law. The municipality must review the by-law within four years or sooner of its coming into force and then every four years after.

DISCUSSION

Establishing a Commercial Development District (CDD) has the potential to attract new businesses, fostering increased economic activity within the municipality. This influx of businesses can lead to job creation, contributing to a reduction in unemployment rates and enhancing the overall economic prosperity of the community.

The creation of a CDD can also act as a catalyst for the revitalization of underdeveloped areas within the municipality. Through targeted incentives and regulations, the district can undergo positive transformation, improving its aesthetic appeal and attracting further investments.

Successful commercial development within the CDD can also lead to an increase in property values. This not only benefits property owners but also positively impacts the municipality's tax base, providing additional revenue for essential services and infrastructure development.

A municipality looking to use this tool must first identify the 'commercial development district', in accordance with the Municipal Planning Strategy.

In our case, our existing Commercial General (CG) zone presents the most viable option for the establishment of a Commercial Development District (CDD) due to its existing permitted uses and focus on commercial activities. Several factors make the Commercial General zone ideal for designation as a CDD.

First, the zone already permits a wide range of commercial activities, including retail, office space, restaurants, and service-oriented businesses. By leveraging the existing permitted uses within this zone, the municipality can capitalize on the diversity of commercial offerings and create a dynamic environment conducive to economic growth and development.

Second, the zone is characterized by well-developed infrastructure, including transportation networks, utilities, and public amenities. The existing infrastructure assets provide a strong foundation for supporting commercial development within the CDD, minimizing the need for additional investments in infrastructure.

Finally, the zone is located centrally in the Municipality with high visibility and accessibility, making it an attractive destination for businesses and consumers alike. The prime location of the zone enhances the marketability and competitiveness of the CDD, further incentivizing commercial investment and growth.

In the MGA, s. 71C4(1) states a commercial development district may only be established in an area that is serviced by wastewater facilities and a water system. Wastewater facilities and water systems are defined in the MGA under s.3(ci) and (cj), respectively. Neither definition relies primarily on ownership as the elements that make up a wastewater facility or water system. There is also a definition of private wastewater facilities under s.3(bb) which is a wastewater facility that are privately owned and serving two or properties. Based on this definition the private wastewater facility could be a subset component of the definition of wastewater facility.

In short, these definitions of wastewater facilities and water systems can cover any facilities or systems regardless of ownership.

The next step is to identify a threshold (if any) to be eligible for the phase in of assessment and designate it a commercial development district.

Eligible parameters to be eligible for the phase in can be based on a year-to-year percentage increase, a dollar value increase or another chosen metric. For example, eligibility could be for commercial properties that have an annual increase exceeding \$100,000 in assessment or simply for all commercial properties.

In our case, the most appropriate concept would be to require commercial properties to have an annual increase exceeding a certain assessment value (i.e. \$100,000 in assessment). This would reduce the number of eligible properties and would ensure the most efficient value to the municipality.

The last main step in the process is to create a municipal by-law respecting this designated area. The by-law should clearly state the objective of the tool and should include:

- eligibility criteria (new development, brownfield sites; all commercial properties);
- parameters of the properties to be included, mimicking the MPS;
- triggers (e.g. automatic enrollment for eligible properties, application, or completion of brownfield remediation);
- the base year to which the by-law applies (typically the year in which a property meets the eligibility criteria);
- determination of whether the base year will 'reset' if the property has a subsequent increase in assessment that is eligible;
- the applicable phase in period (must not to exceed 10 years);
- a formula to be applied to any increase in the assessed value over the base year;
- a schedule for assessment phase in; and
- the mechanism for achieving the phase in (i.e. levying a reduced tax bill, or refunding a portion of the incremental tax increase).

In our case, the most appropriate concept would be to have all commercial properties eligible, upon application, to receive a reduced tax bill over a 10-year phase in period, with the base year being the year in which a property meets the eligibility criteria – without it resetting if the property has a subsequent increase in assessment.

The attached best practice guide provides more details on what to consider when designing and implementing CDDs, possible calculation formulas and examples.

BUDGET IMPLICATIONS

Implementing Commercial Development Districts (CDDs) carries significant budget implications. While the establishment of CDDs presents opportunities for economic growth and community revitalization, it also requires careful consideration of financial resources to support planning, implementation, and ongoing management. Below are key budget implications.

While the implementation of CDDs may stimulate economic activity, they also result in a direct reduction in the municipality's tax revenue during the incentive period. While this may be the case, they could attract development that would not have occurred otherwise. This increased development can expand the commercial tax base for the future, leading to higher tax revenue in subsequent years. Additionally, CDDs can catalyze economic growth, job creation, and infrastructure investment, which can have positive long-term effects on the municipality's fiscal health and overall prosperity.

Once established, CDDs require ongoing management and maintenance to ensure their effectiveness and sustainability. This includes monitoring compliance with zoning regulations, administering the program, and maintaining infrastructure.

Here is an example of the financial implication of the concept explained above:

Property X exists in the designated area with the phase in commercial assessment tool. It has a base year taxable assessed value of \$100,000 in 2024. Our municipal commercial tax rate is \$2.56 per \$100 of assessment.

Year	Taxable Assessed Value	Rebate Eligible Assessment	Rebate %	Rebate Eligible Taxes	Rabate Amount
2025	\$200,000	\$100,000	90%	\$2,560	\$2,304
2026	\$200,000	\$100,000	80%	\$2,560	\$2,048
2027	\$220,000	\$120,000	70%	\$3,072	\$2,150
2028	\$225,000	\$125,000	60%	\$3,200	\$1,920
2029	\$250,000	\$150,000	50%	\$3,840	\$1,920
2030	\$300,000	\$200,000	50%	\$5,120	\$2,560
2031	\$300,000	\$200,000	40%	\$5,120	\$2,048
2032	\$305,000	\$205,000	30%	\$5,248	\$1,574
2033	\$310,000	\$210,000	20%	\$5,376	\$1,075
2034	\$310,000	\$210,000	10%	\$5,376	\$538
Total				\$41,472	\$18,137
Calculation of maximum % vs. actual				50%	43.7%
Total Allowable Rebate				\$20,736	\$18,137

It's essential to carefully evaluate the potential trade-offs and consider the long-term benefits when implementing CDDs. Strategic planning, monitoring, and evaluation are crucial to ensuring that the

benefits of CDDs outweigh the associated budget implications and contribute to the municipality's sustainable growth and development.

LEGAL IMPLICATIONS

The legal authority for municipalities to implement Commercial Development Districts (CDDs) is derived from Section 71C of the Nova Scotia Municipal Government Act (MGA).

PUBLIC CONSULTATION/COMMUNICATIONS

N/A

RECOMMENDATION

The creation of a CDD not only aligns with our strategic objective of promoting the Municipality as open for business but also represents an opportunity for us to spur economic growth, revitalize underdeveloped areas, and enhance the overall well-being of our residents. With thoughtful planning, the potential benefits can be maximized while mitigating potential drawbacks.

After careful consideration, it is recommended to proceed with the development of a by-law to establish a Commercial Development District in the Commercial General (CG) zone.

SUGGESTED MOTION

Move to recommend to Council to direct the CAO to draft a by-law to establish a Commercial Development District in the Commercial General (CG) zone.

ALTERNATIVES

1. Defer the decision and conduct further study before committing to this approach.
2. Maintain the status quo and refrain from implementing CDDs at this time.

ATTACHMENTS

- Commercial Assessment Phase-in Tool – A Best Practice Guide
- Municipality of Yarmouth Commercial Development District Improvement Plan By-law C-038-19
- Town of Stellarton By-Law Respecting Commercial Development District Improvements

Commercial Assessment

Phase-in Tool

A Best Practice Guide

Amendments to MGA and HRM Charter, S.N.S. 2016, c. 13

September 2016

Ask your municipal advisor for help



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Introduction

In spring 2016, the Minister of Municipal Affairs introduced Bill 177 in the Legislature to amend the *Municipal Government Act* and the *Halifax Regional Municipality Charter* to create the ability for municipalities to phase in some commercial assessments. Bill 177 was ultimately passed and became Chapter 13 of the Acts of 2016¹.

In response to challenges identified by municipalities, these amendments allow a phase in of commercial assessment increases over a period not exceeding ten years in an area designated a commercial development district. Commercial assessment phase in was designed to be a new tool for municipal units to attract investment to the downtown and support brownfield redevelopment. The phase in assessment tool does not change property tax rates. Instead, it is designed to phase in commercial assessment increases either due to commercial investment or new construction, including brownfield remediation, for lower commercial property tax bills. These amendments acknowledge goal six of the Towns Task Force to provide new tools to increase economic growth in downtowns.

The amending Act that enables this tool directs a municipality to designate a commercial development district in accordance with its municipal planning strategy (MPS) and develop a by-law respecting the use of the tool in this area. The designated commercial development district must be serviced by water and wastewater infrastructure. Commercial properties within the designated commercial development district and meeting the criteria established by the municipality would be eligible for the phase in of assessment. A formula to phase in these increases annually cannot allow the municipality to forego more than 50% of the tax revenue generated by either the investment or redevelopment over a maximum of ten years.

In its by-law, council must identify the base year to which the by-law applies, the applicable phase in period, and a formula to be applied to any increase in the assessed value over the base year. It must also identify the parameters of the properties to be included, and it is encouraged that the threshold also be identified in the by-law. The municipality must review the by-law within four years or sooner of its coming into force and then every four years after.

Through this tool, municipalities have the opportunity to collect property tax on a modified phase in assessment. This can occur through less funds being collected from the business during the phase in period or through a partial refund of the incremental taxes paid in that tax year for eligible properties.

The information presented below provides guidance on how to use the phase in commercial assessment tool. It includes information on the process as well as on items your municipality should consider if it decides to develop a by-law to use the tool. This tool can be used to support a variety of objectives: focus economic development, encourage brownfield redevelopment, or stabilize increasing commercial property taxes. Council's objectives with this tool should determine how the by-law is developed. Examples are included in this guide to clearly identify how different phase in assessment formulas can impact commercial property taxes as well as municipal revenues.

Before moving forward to develop a by-law, your municipality is strongly encouraged to contact its Municipal Advisor for support.

¹ To read Chapter 13 of the Acts of 2016 go to <http://nslegislature.ca/legc/index.htm>

When to Consider

Prior to determining that the phase in tool should be used within a particular area, and identifying this area in the MPS, the municipality should review assessed commercial values in a desired area as well as any pending changes. By examining, at minimum, the past five years of commercial data and growth trends, the municipality can determine if the tool is appropriate for the area as well as the potential scope and impact on municipal revenues. Municipalities may wish to use the phase in assessment tool in a variety of ways to support economic growth linked to municipal planning priorities and to grow their tax base. The following examples will illustrate the three instances a municipality may want to use the phase in tool and items it should consider in these instances.

Support economic growth in areas of low annual assessment increase

A municipality may want to use the phase in assessment tool to support an area of low increases in annual assessment. This area may be a vacated downtown or area where business owners may be hesitant to invest in their properties' exteriors. In this instance, the municipality may consider triggering the phase in after a building permit application has been made as it encourages renovations and updates to the area. The municipality may also want to consider a low threshold and lengthy phase in period to ensure the taxation on increases in assessed values occur gradually and in keeping with returns on these investments.

Support commercial property owners in areas where upward assessment pressure is occurring

There may be areas of upward assessment pressure on businesses within a designated area due to investment in the surrounding area. In this instance, the municipality may want to consider an annual assessment threshold that reflects this upward pressure and trigger the phase in based on an annual review of the assessments in the designated area. The base year could be chosen to reflect the upward pressure. The phase in tool in this instance would provide stability to commercial enterprises that have not changed their business model but have upward pressure on their assessed value and therefore on their property taxes.

Support the development of brownfield sites

The municipality may use the phase in tool to support the development of brownfield (contaminated industrial) sites that are highly likely to have their assessed value increase after they have been developed. The municipality may want to trigger the phase in after the redevelopment has been completed and after a building permit has been issued. In this instance, the impact of the phase in on municipal revenues will likely be minimal due to the quantity of brownfield sites in the designated area as well as the resultant higher assessed value, compared to the base year. The phase in tool for brownfield sites should be designed to remove the disincentive to develop the property.

Municipalities may want to consider creating one by-law with different sets of criteria for these types of activities. Criteria for former brownfield sites can be different than those located in an area with overall low assessment increases and vacant storefronts.

Projected Commercial Tax Implications (\$ thousands)

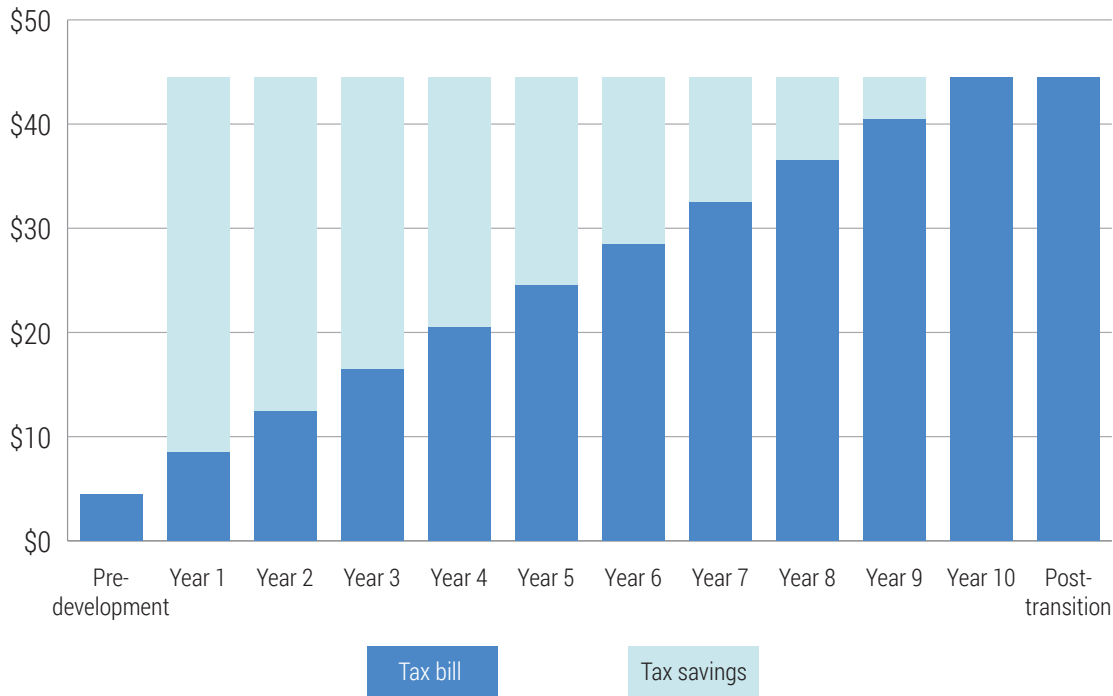


Figure 1. The tool is designed to allow for gradual increases in the tax bill of a commercial enterprise rather than allow for development or market forces to impact the property tax bill drastically. This tool allows the increase in property taxes after an investment to occur gradually and ideally in tandem with returns on the investment.

Currently, the Province of Nova Scotia along with all other provinces and territories is negotiating a modernization of the Agreement on Internal Trade. This modernized Agreement will be applicable to municipal units in a variety of areas nationally and restricts municipalities, and the provinces and territories, **from discriminating between businesses when providing incentives i.e. incentivizing some businesses and not others that are all qualified under the measure. The measure must not be enterprise² or industry specific³.** This tool has been designed to adhere to this Agreement and municipal units must design the by-law to adhere to the Agreement on Internal Trade. Broad exemptions cannot be industry or enterprise specific. The submission of the completed by-law to the Department of Municipal Affairs is designed to ensure the municipalities are adhering to the applicable internal trade agreement.

² A measure that targets a particular company or companies for incentives.

³ A measure that targets a particular sector or sectors for incentives.

The Process (Municipal Planning Strategy, By-Law, Implementation)

A municipality hoping to use this new tool:

1. **Must** identify the 'commercial development district', in accordance with the Municipal Planning Strategy.
 - May be defined in the by-law or MPS, provided the geographical boundaries are described and the district is not in conflict with the MPS;
 - This area **must** be serviced by water and wastewater;
 - Creating or amending a municipal planning strategy process is subject to public input and scrutiny;
 - All municipal planning strategies and their amendments are reviewed by the Department of Municipal Affairs to ensure they are consistent with provincial statements of interest
2. **Should** identify a threshold (if any) to be eligible for the phase in of assessment and designate it a commercial development district.
 - Eligible parameters to be eligible for the phase in (year to year % increases, \$ value increases, etc.);
 - e.g. 'Commercial properties that have an annual increase exceeding \$100,000 in assessment'
 - e.g. all commercial properties
3. **Must** create a municipal by-law respecting this designated area.
 - The by-law **should** clearly state the objective of the tool
 - The by-law **should** include:
 - eligibility criteria (new development, brownfield sites; all commercial properties);
 - parameters of the properties to be included, mimicking the MPS
 - triggers (e.g. automatic enrollment for eligible properties, building permit application, or completion of brownfield remediation);
 - the base year to which the by-law applies (typically the year in which a property meets the eligibility criteria);
 - determination of whether the base year will 'reset' if the property has a subsequent increase in assessment that is eligible (see *Special Cases* on page 20 for more detail)

- the applicable phase in period (**must** not to exceed 10 years);
 - a formula to be applied to any increase in the assessed value over the base year;
 - a schedule for assessment phase in
 - The mechanism for achieving the phase in (i.e. levying a reduced tax bill, or refunding a portion of the incremental tax increase).
4. **Must** submit the by-law to the Minister of Municipal Affairs via your Municipal Advisor for review and to determine if it affects provincial interest or conflicts with the law. This review will require a simultaneous submission of the MPS and the by-law developed and include an assessment of trade risks, completed by the Department of Municipal Affairs and the Department of Intergovernmental Affairs. If information in the by-law does not allow for this determination, municipal modifications may be required.
 5. **Must** Review the by-law four years after it comes into force and every four years thereafter.
 6. **Should** ensure commercial property owners are aware of the opportunities this tool provides.
 7. Implementation of the tool will require:
 - municipal staff to calculate the increase in assessment for all properties in the commercial development district that may be eligible;
 - continual application of the chosen formula to the properties currently within the program.

Each municipal unit is responsible for the administration of the by-law it creates. This includes tracking which properties are a part of the program, the modified assessment value, and any other information that is necessary to administer the phase in of the assessment increase.

Design Considerations

If the municipality is designing a phase in assessment tool, it should also consider the following:

- application to multiple commercial properties. This tool is not intended to be applied selectively to individual properties or industries. All properties within the designated commercial development district that meet the criteria will be eligible. Municipalities should therefore consider the budgetary impact of forgoing increased tax revenue in the short term, with the goal of growing their tax base over the long term.

- has there been a sustained increase in the PVSC commercial assessment in the designated area in the past or does the area fluctuate?
- does the municipality have a method to have properties not use the modified assessment if the municipality so desires or if the 50% threshold is exceeded?
- if the municipality believes there will be lot of fluctuation, an assessment schedule to try to phase in the increase with a short period of time to ensure the 50% minimum is met within a short time span
- what should be done if a property has been triggered into the phase in program when the modified assessment is already being used
- commercial properties may continually roll into the program
- there will be appeals of PVSC assessments

By-law Considerations

This phase in tool requires modifications to the MPS and the creation of a municipal by-law. The commercial development district as well as eligibility criteria for commercial properties should be identified in either the MPS or by-law. It is strongly encouraged that, as a matter of best practice, the information below also be included in the municipal by-law to facilitate understanding of the phase in of assessment by commercial property owners and interested citizens.

The items identified below should be included or considered as you develop your municipal by-law. A municipality may choose not to identify certain items in their by-law. The items should be ordered to ensure there is logical progression and are not required to mimic the order below.

Application and Term

- Area of designated commercial development district (with geographic specificity as outlined in the municipal planning strategy)
- Date of application of by-law and duration
- Date of application of phase in
- Triggers: Automatic enrolment? Building permit? Etc.

Properties

- Parameters of eligibility: New development? Brownfield redevelopment? % increase in assessed value? Minimum assessment value?
- Appeals to PVSC assessment

Phase in Schedule

- Identify schedule/formula: can only forego up to 50% of the total tax increase in assessed value over the entire phase in period
- Length of phase in (up to a maximum of 10 years)
- Base year (typically determined by the year a property undergoes an eligible increase)
- If chosen, the threshold that would have the increase in assessment phased in (% year to year changes and/or \$ threshold)
- How meeting multiple phase in thresholds will be dealt with

Phase in Tool Mechanism

- Administratively feasible with lead identified
- Reimbursement of difference between taxes paid and taxes owed with modified assessment OR decrease in the tax levied for the commercial property

Review

- When will the by-law and its effectiveness be reviewed
 - Must be done within 4 years or sooner of coming into force
 - Every four years afterwards
- What will be done with properties under this by-law when the term has expired

Phase In Calculations

Key Variables for Municipalities to Consider:

- Current commercial property tax rates and potential changes
- Phase in period
- Base year
- Changes in assessed value
- Number of properties phase in assessment may be applied to

Rule

The legislation states that the total increase in taxes payable during the phase in period should not be less than 50% of the total increase in taxes in absence of the phase in formula.

Example 1

A phase in period of three years with the following schedule:

- 20% of the increase in assessment included the first year
=> Commercial savings of 80% of the increase
- 20% of the increase in assessment the second year
=> Commercial savings of 80% of the increase
- 60% of the increase in assessment the third
=> Commercial savings of 40% of the increase
- Commercial tax rates do not change

The average of the commercial saving of the increase in assessment, regardless of what this number is, is $(80+80+40)/3 = 66.6$, which exceeds 50. This indicates that the foregone tax revenue is greater than the 50% benchmark allowed in the legislation. This schedule and formula *cannot be used by the municipality*.

Example 2

A phase in period of four years with no change in commercial taxes and the following phase in schedule:

Of the increase in assessment

- 40%
- 50%
- 60%
- 70%

This indicates the annual commercial savings of the increase in assessment are 60%, 50%, 40%, 30%. This averages out to 45 which does not exceed 50. This indicates that the foregone tax revenue is less than the 50% benchmark allowed in legislation. This schedule and formula *can be used by the municipality*.

Examples

Below are a series of examples to display how the phase in assessment tool can function. Each example uses a different phase in schedule. You may want to consider the impacts of the different schedules on annual municipal revenue as you develop a by-law for the designated area. The majority of data below has been taken from real municipalities in Nova Scotia and is solely being used for illustrative purposes. The identified time periods and threshold values should be determined by each municipality to accurately reflect individual context and not be guided by the examples on the next page.

Example 1

Municipal commercial tax rate= \$3 per \$100 of assessment from 2012 to 2016

Phase In Schedule		
Threshold: If the year to year assessed value of the commercial property increases by more than 15%, they will be eligible for the phase in.		
Year 1	Phase in 20% of the increase in assessment	Commercial savings of 80% of the increase
Year 2	Phase in 40% of the increase in assessment	Commercial savings of 60% of the increase
Year 3	Phase in 60% of the increase in assessment	Commercial savings of 40% of the increase
Year 4	Phase in 80% of the increase in assessment	Commercial savings of 20% of the increase
Year 5	Phase in 100% of the increase in assessment	No commercial savings
Rule of Thumb check indicates this schedule is acceptable.		$(80+60+40+20+0)/5= 200/5=40$

Designated Area

The municipality conducts a review of all of the properties in its designated area to assess year to year growth in assessment value. The following are the results:

Status Quo						
Commercial Property	A	B	C	D	E	F
2012 Value	\$134,300	\$152,300	\$214,100	\$499,200	\$110,500	\$ 193,900
2013 Value	\$129,200	\$151,400	\$210,200	\$509,500	\$108,700	\$194,400
2014 Value	\$130,100	\$176,800	\$355,900	\$492,300	\$107,500	\$378,900
2015 Value	\$268,200	\$185,400	\$352,400	\$472,600	\$112,000	\$368,400
2016 Value	\$ 258,300	\$179,100	\$344,400	\$478,300	\$110,000	\$ 365,800
Significant Increase	\$138,100	\$25,400	\$145,700	—	—	\$184,500
Significant Increase as a %	106%	16.78%	69.31%	—	—	94.91%
% Increase from 2012-16	92%	18%	61%	-4%	0%	89%

Property A to F exist in the same area designated by the municipality with the phase in commercial assessment tool. The municipality has outlined that the phase in of the increase in assessment will occur by an equal increment every year for a 5-year period, i.e. 20%.

Property D and E do not qualify for the phase in as the threshold of an increase of 15% from year to year has not been met for those particular properties.

With the assessment phase in schedule noted above, the following occurs:

Property Value	A		B		C		F	
	Original Assessment	Modified Assessment	Original Assessment	Modified Assessment	Original Assessment	Modified Assessment	Original Assessment	Modified Assessment
2012	\$134,300	\$134,300	\$152,300	\$152,300	\$214,100	\$214,100	\$193,900	\$193,900
2013	\$129,200	\$129,200	\$151,400	\$151,400	\$210,200	\$210,200	\$194,400	\$194,400
2014	\$130,100	\$130,100	\$176,800	\$156,480	\$355,900	\$239,340	\$378,900	\$231,300
2015	\$268,200	\$157,720	\$185,400	\$161,560	\$352,400	\$268,480	\$368,400	\$268,200
2016	\$258,300	\$185,340	\$179,100	\$166,640	\$344,400	\$297,620	\$365,800	\$305,100
2017		\$212,960		\$171,720		\$326,760		\$342,000
2018		\$240,580		\$176,800		\$355,900		\$378,900
2019		\$268,200						

Properties D and E do not have any changes and continue to be charged the commercial property tax based on the PVSC assessed value. Meanwhile, properties A, B, C, and F will be charged property tax based on the modified assessment.

Property A Modified Assessment Calculation

	Modified Assessment Property A	Calculation	Calculation Steps
Base Year for Assessment	\$130,100	PVSC Assessed Value	PVSC Assessed Value
Year 1	\$157,720	\$130,100 + \$27,620	\$130,100 + (0.2 x \$138,100)
Year 2	\$185,340	\$157,720 + \$27,620	\$130,100 + (0.4 x \$138,100)
Year 3	\$212,960	\$185,340 + \$27,620	\$130,100 + (0.6 x \$138,100)
Year 4	\$240,580	\$212,960 + \$27,620	\$130,100 + (0.8 x \$138,100)
Year 5	\$268,200	\$240,580 + \$27,620	\$130,100 + (1 x \$138,100)

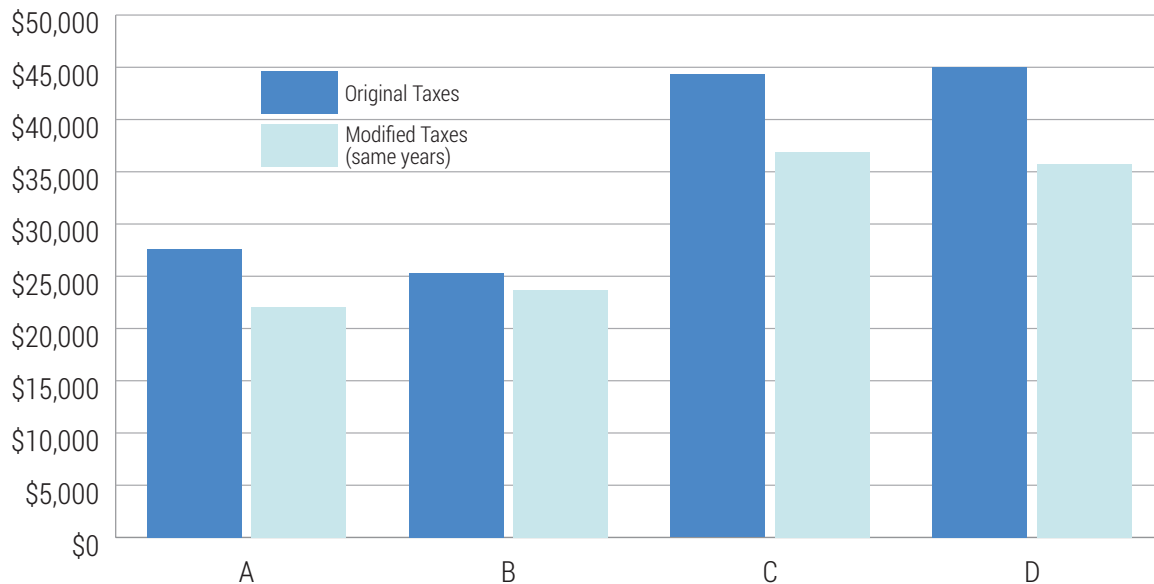
This calculation is applied to all properties that, based on the municipal by-law, have the increases in their assessment phased in over the five year time period.

Municipal Revenues

Assuming the commercial tax rate is \$3 per \$100 of assessment, the commercial property taxes collected by the municipality for these properties would be:

PVSC Assessment Value	A		B		C		F	
	Original Commercial Property Taxes	Phase In Commercial Property Taxes	Original Commercial Property Taxes	Phase In Commercial Property Taxes	Original Commercial Property Taxes	Phase In Commercial Property Taxes	Original Commercial Property Taxes	Phase In Commercial Property Taxes
2012	\$4,029	\$4,029	\$4,569	\$4,569	\$6,423	\$6,423	\$5,817	\$5,817
2013	\$3,876	\$3,876	\$4,542	\$4,542	\$6,306	\$6,306	\$5,832	\$5,832
2014	\$3,903	\$3,903	\$5,304	\$4,694	\$10,677	\$7,180	\$11,367	\$6,939
2015	\$8,046	\$4,731	\$5,562	\$4,846	\$10,572	\$8,054	\$11,052	\$8,046
2016	\$7,749	\$5,560	\$5,373	\$4,999	\$10,332	\$8,928	\$10,974	\$9,153
2017		\$6,388		\$5,151		\$9,802		\$10,260
2018		\$7,217		\$5,304		\$10,677		\$11,367
2019		\$8,046						

Commercial Property Taxes



Collected Municipal Property Taxes for Properties A, B, C, F:	
Original Taxes (2012-16)	\$142,305
Modified Taxes (2012-19)	\$192,645
Modified Taxes (2012-16)	\$118,430

In this case, the full dollar extent of foregone revenue is unknown as the phase in period extends to 2019; PVSC assessment values for 2017, 2018, and 2019 are unknown. From 2012 to 2016, the municipality foregoes \$23,875 in revenue. However, the tax savings for each commercial property owner vary, as seen below.



As the PVSC assessed value is unknown for 2017 and 2018, the commercial property taxes are unknown for those years. However, in 2014, 2015, and 2016, the phase in of the property taxes met the desired outcome.

Mechanism

The mechanism of reimbursement should be identified in the municipal by-law. If the municipality designs their by-law such that it reimburses the business after the property taxes are paid, then the municipality should calculate the taxes without the phase in and the taxes with the phase in. The difference between the two should be reimbursed to the commercial enterprise. Alternatively, the municipality could send a property tax bill based on the modified phase in assessment value.

Note the year the by-law comes into effect will impact the properties that have the increase in commercial assessment phased in, impacting municipal revenues. The year the by-law is applied should be clearly identified.

Example 2

This example is to display that a commercial property, or properties, may be in the phase in assessment period for prolonged periods of time if there is continuous growth in the designated area or significant annual investment in the property.



If the municipality's by-law states:

- Any increases of 50% or more annually of the assessed value allow a commercial property to join the phase in program.
- That subsequent increases are eligible
- Phase in assessed values will occur over a 3 year period
- The phase in will be 30% of the increase in assessed value in the first year, 50% in the second, and another 70% in the last year. This implies that in the fourth year, the market value will be adopted.

The increase in the assessed value is \$50,000, therefore the phase in increase each year will be \$15,000, followed by \$25,000, and \$35,000. From this, we see the following:

	PVSC Assessment	Y to Y Assessment Change	Initial Tax Bill	Modified Assessment	Commercial Tax Rate	Modified Tax Bill	Tax Bill Foregone
Initial Base Year	\$100,000	50%	\$3,000	\$100,000	\$3.00	\$3,000	\$0
Year 1	\$150,000	0%	\$4,500	\$115,000	\$3.00	\$3,450	\$1,050
Year 2	\$150,000	53%	\$4,500	\$125,000	\$3.00	\$3,750	\$750
Year 3	\$230,000	2%	\$6,750	\$159,000	\$3.00	\$4,770	\$1,980
Year 4	\$235,000	0%	\$7,050	\$175,000	\$3.00	\$5,250	\$1,800
Year 5	\$235,000	2%	\$7,050	\$191,000	\$3.00	\$5,730	\$1,320
Year 6	\$240,000	0%	\$7,200	Market Value	\$3.00		
Year 7	\$240,000		\$7,200	Market Value	\$3.00		

At the end of the three year period, we see that there has been another increase in the PVSC's assessed value by 53% from \$150,000 to \$230,000. This year to year increase triggers the phase in assessment tool again with an additional amount of \$80,000 to be phased in for three more years. The municipality has, in their bylaw, stated that phase ins will be stacked in instances such as this to ensure the modified assessment remains closely linked to the market assessment. See the cells in pink and green and the explanation and calculations below.

$$\text{Phase 2 Increase in Assessment} = \$230,000 - \$150,000 = \$80,000$$

The figure highlighted above in red is calculated based on both increases in assessment. It is:

$$\text{Initial base year assessment} + \left(\begin{array}{l} \text{phase in percent} \\ \text{for the year x the} \\ \text{initial increase} \\ \text{in assessment} \end{array} \right) + \left(\begin{array}{l} \text{phase in percent} \\ \text{for the year x the} \\ \text{second increase} \\ \text{in assessment} \end{array} \right)$$

$$\$100,000 + (\$50,000 \times 70\%) + (\$80,000 \times 30\%) = \$159,000$$

The Year 4 modified assessment will then be calculated as:

$$\$100,000 + (\$50,000 \times 70\%) + (\$80,000 \times 50\%) = \$175,000$$

The Year 5 modified assessment will then be calculated as:

$$\$100,000 + (\$50,000 \times 70\%) + (\$80,000 \times 70\%) = \$191,000$$

See *Special Cases* on page 20 for more detail on options a municipality may want to consider when a phase in for a property is triggered multiple times.

Example 3

This example highlights that municipalities should consider different phase in time periods and schedules prior to their designing a by-law. Manipulating existing assessment data will help identify areas that the municipality should consider and ensure the by-law is appropriate for the area.

Commercial Tax Rate: \$4.45 per \$100 of assessment
 Assessment Phase In Threshold: 20% increase year to year

Assessment Rule Options

	Y1	Y2	Y3	Y4	Y5	Y6
Option 1	30%	50%	70%	100%		
Option 2	20%	30%	50%	70%	80%	100%
Option 3	50%	50%	100%			
Option 4	50%	70%	100%			

Status Quo				
Commercial Property	A	B	C	D
2012 Value	90,100	56,100	216,900	511,500
2013 Value	92,000	57,200	381,300	507,800
2014 Value	93,800	74,200	412,100	306,500
2015 Value	35,900	65,200	294,000	389,100
2016 Value	42,200	65,200	294,500	378,900
Significant Increase	6,300	17,000	164,400	82,600

We see here that four properties are eligible to join the phase in program, but it does not appear that the increase in assessment has been sustained for some of them.

Modified Assessment Option 1				
Property	A	B	C	D
2012 Value	90,100	56,100	216,900	511,500
2013 Value	92,000	57,200	266,220	507,800
2014 Value	93,800	62,300	299,100	306,500
2015 Value	35,900	65,700	331,980	331,280
2016 Value	37,790	69,100	381,300	347,800
2017 Projected	39,050	74,200		364,320
2018 Projected	40,310			389,100
2019 Projected	42,200			

Modified Assessment Option 2				
Property	A	B	C	D
2012 Value	90,100	56,100	216,900	511,500
2013 Value	92,000	57,200	249,780	507,800
2014 Value	93,800	60,600	266,220	306,500
2015 Value	35,900	62,300	299,100	323,020
2016 Value	37,160	65,700	331,980	331,280
2017 Projected	37,790	69,100	348,420	347,800
2018 Projected	39,050	70,800	381,300	364,320
2019 Projected	40,310	74,200		372,580
2020 Projected	40,940			389,100
2021 Projected	42,200			

Modified Assessment Option 3				
Property	A	B	C	D
2012 Value	90,100	56,100	216,900	511,500
2013 Value	92,000	57,200	299,100	507,800
2014 Value	93,800	65,700	299,100	306,500
2015 Value	35,900	65,700	381,300	347,800
2016 Value	39,050	74,200		347,800
2017 Projected	39,050			389,100
2018 Projected	42,200			

Modified Assessment Option 4				
Property	A	B	C	D
2012 Value	90,100	56,100	216,900	511,500
2013 Value	92,000	57,200	299,100	507,800
2014 Value	93,800	65,700	331,980	306,500
2015 Value	35,900	69,100	381,300	347,800
2016 Value	39,050	74,200		364,320
2017 Projected	40,310			389,100
2018 Projected	42,200			

Based on these modified assessment values, we see instances where the modified assessment exceeds that of the PVSC assessment. In these instances, the municipality **must** levy property taxes based on the PVSC assessed value. As the increase in assessment was not sustained, Property B and C have the modified assessments higher than the status quo figure, see the pink cells below. The municipality should consider if this will trigger the property to leave the phase in program.

Property B					
	Status Quo	Option 1	Option 2	Option 3	Option 4
2012 Value	56,100	56,100	56,100	56,100	56,100
2013 Value	57,200	57,200	57,200	57,200	57,200
2014 Value	74,200	62,300	60,600	65,700	65,700
2015 Value	65,200	65,700	62,300	65,700	69,100
2016 Value	65,200	69,100	65,700	74,200	74,200
2017 Projected		74,200	69,100		
2018 Projected			70,800		
2019 Projected			74,200		

Property C					
	Status Quo	Option 1	Option 2	Option 3	Option 4
2012 Value	216,900	216,900	216,900	216,900	216,900
2013 Value	381,300	266,220	249,780	299,100	299,100
2014 Value	412,100	299,100	266,220	299,100	331,980
2015 Value	294,000	331,980	299,100	381,300	381,300
2016 Value	294,500	381,300	331,980		
2017 Projected			348,420		
2018 Projected			381,300		

Commercial Property Tax Bills (all years)				
	A	B	C	D
Status Quo	\$15,753	\$14,147	\$71,147	\$93,174
Option 1	\$20,966	\$16,919	\$60,997	\$122,744
Option 2	\$24,442	\$22,940	\$91,275	\$153,699
Option 3	\$19,228	\$13,768	\$49,355	\$107,267
Option 4	\$19,285	\$13,768	\$50,818	\$108,002

Municipalities should explore different rates and potential time periods as they design their municipal by-law. A municipality may wish to model their own existing historical data as they move forward as well as consider changes to their commercial tax rate in advance of creating the by-law. Please contact the Department of Municipal Affairs for support in modeling existing historical data.

Special Cases

What happens if the property decreases in value during the phase in?

If the assessed value falls below the phased-in value in a given year, using the phased-in value would result in a *higher* tax bill, which the amendments to the MGA and HRM Charter do not provide authority for. As a result, the by-law shall specify that the property will revert back to the assessed value in these cases.

What if there are additional eligible assessment increases during the phase-in period?

The by-law should specify how the formula addresses an additional increase from year to year. For example, consider Property E, in a municipality where the formula prescribes a 4 year phase-in, of the following increments (25%, 50%, 75%, 100%) for any annual increase greater or equal to \$10,000.

Property E	Status Quo	Option 1 – Ignore subsequent increases	Option 2 – Reset base year	Option 3 – Stack multiple phase ins
		The single increase in 2013 is phased in over 4 years	After the second increase, the base year resets and the second increase is phased in.	This results in the smoothest increase, but adds complexity
2012 Value	100,000	100,000	100,000	100,000
2013 Value	160,000 (60,000 is eligible)	$100,000 + (60,000 \times 25\%) = 115,000$	$100,000 + (60,000 \times 25\%) = 115,000$	$100,000 + (60,000 \times 25\%) = 115,000$
2014 Value	161,000 (1,000 is ineligible)	$100,000 + (60,000 \times 50\%) = 130,000$	$100,000 + (60,000 \times 50\%) = 130,000$	$100,000 + (60,000 \times 50\%) = 130,000$
2015 Value	201,000 (40,000 Increase is eligible)	$100,000 + (60,000 \times 75\%) = 145,000$	$161,000 + (40,000 \times 25\%) = 171,000$	$100,000 + (60,000 \times 50\%) + (40,000 \times 25\%) = 140,000$
2016 Value	201,000	$100,000 + (60,000 \times 100\%) = 160,000$	$161,000 + (40,000 \times 50\%) = 181,000$	$100,000 + (60,000 \times 75\%) + (40,000 \times 50\%) = 155,000$
2017 Projected	201,000	201,000	$161,000 + (40,000 \times 75\%) = 191,000$	$100,000 + (60,000 \times 100\%) + (40,000 \times 75\%) = 190,000$
2018 Projected	201,000	201,000	$161,000 + (40,000 \times 100\%) = 201,000$	$160,000 + (40,000 \times 100\%) = 200,000$

We see in Option 1 that a commercial property is allowed to have the increase in assessment phased in only once and that exiting the phase in to a higher assessment will not trigger the phase in again. This allows the municipality to more accurately assess their foregone revenue annually.

A municipality should consider how many times it wants a property to have the increase in assessment phased in, and if it should involve a municipal review if it is more than once. It should also consider if it allows the exiting from the phase in program to trigger the phase in again, i.e. if the modified to real assessment exceed the threshold amount or percent, the property can/cannot have this modified increase in assessment phased in over the designated schedule.

If a municipality has any questions or concerns when it is designing its by-law, it should contact the Department of Municipal Affairs through its Municipal Advisor for support.



Commercial Development District Improvement Plan By-law C-038-19

Effective Date:
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2020

Part 1 Purpose

The purpose of this by-law is to permit the phasing-in, over a period of up to 10 years, of an increase to the taxable assessed value of certain commercial properties located in the Municipality of the District of Yarmouth, Commercial Development District, and to provide a partial rebate of taxes paid by the Owner during the phasing-in period.

Part 2 Definitions

In this By-law:

- 2.1 **“Actual Taxable Assessed Value”** means the taxable assessed value pursuant to the assessment roll for the taxation year in which the Rebate Eligible Assessment is to be determined, subject to any adjustments to taxes arising from assessment appeals or changes to the taxable assessed value made by the Property Valuation Services Corporation (PVSC) through requests for reconsideration;
- 2.2 **“Annual Rebate”** is the amount of the rebate in a year paid to an Owner of an Eligible Property that is subject to a Phased In Assessment Agreement pursuant to Part 8 of this By-law;
- 2.3 **“Base Year Taxable Assessed Value”** means the taxable assessed value of an Eligible Property in the taxation year in which a Phased In Assessment Agreement is signed for the Eligible Property, subject to any adjustments to taxes arising from assessment appeals or changes to the taxable assessed value made by the Property Valuation Services Corporation (PVSC) through requests for reconsideration;
- 2.4 **“CDDI”** means the Commercial Development District Improvement Plan By-law;
- 2.5 **“Commercial Development District”** or **“CDD”** means the area of the Municipality of the District of Yarmouth established by Part 3 of this By-law;
- 2.6 **“Development”** means investment that, in the opinion of the Municipality of the District of Yarmouth, results in an increase in the productive use of an Eligible Property or a building on an Eligible Property, and includes, but is not limited to, construction of a new building, remediation of the property or the expansion or renovation of an existing building to realize more effective use of the Eligible Property’s potential;
- 2.7 **“Development Rebate Program”** is a program designed to stimulate building construction and the expansion of the economy of the Municipality of the District of



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C-038-19**

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Yarmouth;

2. 8 “**Eligible Property**” means an eligible property as defined in section 71C(1)(d) of the *Municipal Government Act* that is situated within the CDD;
2. 9 “**Owner**” means the person named on the assessment roll as responsible for the taxes for a property;
2. 10 “**Municipality**” means the Municipality of the District of Yarmouth;
2. 11 “**Phased In Assessment Agreement**” is an agreement signed by the Municipality of the District of Yarmouth and the Owner of an Eligible Property and is written in substantially the same form as the Agreement set out in Appendix “B” of this By-law; and
2. 12 “**Rebate Eligible Assessment**” in a taxation year means the amount calculated using the following formula:

Rebate Eligible Assessment = Actual Taxable Assessed Value minus Base Year Taxable Assessed Value.

Part 3 Application

- 3.1 This By-law applies to Eligible Properties located in the CDD; and
- 3.2 the CDD for the Municipality is depicted in the attached Appendix “A” and is hereby established in accordance with the Municipality’s *Municipal Planning Strategy*.

Part 4 Development Rebate Program

- 4.1 A Development Rebate Program is established to aid Owners of Eligible Properties in the CDD by providing the possibility of an annual partial rebate on taxes paid by the Owner if the Owner has undertaken Development of their Eligible Property
- 4.2 An owner must express an interest in participating in the Development Rebate Program to the Municipality, in writing, at any time prior to the issuing of an occupancy permit; and
- 4.3 prior to receiving support through the Development Rebate Program, an Owner of an



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Eligible Property must enter into a Phased in Assessment Agreement with the Municipality.

Part 5 Eligibility

- 5.1 An Eligible Property must undergo Development before the Owner of the property can participate in the Development Rebate Program;
- 5.2 To be eligible, a development project must have a minimum anticipated investment of \$100,000.

Part 6 Phased In Assessment Agreement

- 6.1 The eligibility criteria for the Development Rebate Program and the limits on the program are as established in this By-Law. In the event of a conflict between a Phased in Assessment Agreement and this By-Law, the provisions of this By-Law shall prevail.

Part 7 Rebate Calculation

- 7.1 An Annual Rebate shall be calculated each year for each Eligible Property that is the subject of a Phased In Assessment Agreement as follows:

Year	Annual Rebate
1	90% of Rebate Eligible Taxes
2	80% of Rebate Eligible Taxes
3	70% of Rebate Eligible Taxes
4	60% of Rebate Eligible Taxes
5	50% of Rebate Eligible Taxes
6	50% of Rebate Eligible Taxes
7	40% of Rebate Eligible Taxes
8	30% of Rebate Eligible Taxes
9	20% of Rebate Eligible Taxes
10	10% of Rebate Eligible Taxes

Where Rebate Eligible Taxes = Commercial tax rate for the Municipality x the Rebate Eligible Assessment



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Part 8 Rebate Limits

- 8.1 The total of Annual Rebates provided to an Owner over the term of participation in the Development Rebate Program must not result in the calculation of the total increase in taxes payable during the phase-in period being less than fifty per cent of the total increase in taxes that would be payable during the same period in the absence of the application of the Development Rebate Program formula.

Part 9 Adjustments

- 9.1 In the event there are any subsequent changes in the total taxes payable in any year due to reductions resulting from assessment appeals, and where such tax changes occur after Annual Rebates have been paid, future year entitlements may be reduced accordingly. Any overpayment of amounts arising from subsequent assessment or tax reductions will be deemed to be a debt owing to the Municipality.

Part 10 Duration

- 10.1 Annual Rebates will only become payable to the Owner after the Eligible Property is first reassessed by the Property Valuation Services Corporation (PVSC) to fully reflect the Development for which the Owner is receiving the rebate; and
- 10.2 all support under the Development Rebate Program will cease if, during the term of the Phased in Assessment Agreement, a building on the subject property is demolished except to allow for eligible Development. Annual Rebates that would have been payable in the year in which the demolition occurs will be adjusted on a pro-rated basis to reflect the date of the demolition.

Part 11 Staged Development

- 11.1 In the case of a staged Development, where one portion of an Eligible Property is Developed in advance of others, each portion of the Eligible Property will be treated as a separate Eligible Property. The first Annual Rebate payment of the component of the Development Rebate Program will be based on the Rebate Eligible Assessment arising from the increased assessment on the first portion of the Development. As other portions of the Eligible Property are developed, which result in further assessment



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increases, the Owner of the Eligible Property may apply to further participate in the Development Rebate Program based on the additional Rebate Eligible Assessment, subject to the continued availability of the Development Rebate Program and the Owner's ability to meet the eligibility requirements and Annual Rebate entitlements in place at that time.

Part 12 Condominiums

- 12.1 If a Development of an Eligible Property is condominiumized, each condominium unit will be treated as a stand-alone Eligible Property and must be able to meet all eligibility requirements of the Development Rebate Program, independent of other condominium units.

Part 13 Repeal

- 13.1 If this By-Law, or any portion thereof, is repealed, any Owner of an eligible property in a CDD who has been accepted to participate in the Development Rebate Program prior to the date of repeal, will benefit from the Development Rebate Program, as applicable, in accordance with this By-Law, despite its whole or partial repeal; and
- 13.2 in the event of a repeal in Part 13.1, for the Owner of an eligible property in the CDD who has been accepted into the Development Rebate Program as of the date of the repeal, this By-law will continue to be considered to be in force and effect only for the limited purpose of providing for the continuation of the Development Rebate Program for that Owner until the ten year maximum term is completed or the Owner's participation in the Development Rebate Program is discontinued.

Part 14 Other Conditions

- 14.1 All proposed Developments must conform to all Provincial laws, municipal By-laws, policies, and processes and all improvements must be made pursuant to an approved building permit and applicable zoning requirements and development approvals;
- 14.2 the applicant to the Development Rebate Program must be the Owner of the Eligible Property that is to be the subject of the Phased In Assessment Agreement; and
- 14.3 the Owner of an Eligible Property in the CDD must not be in arrears of property taxes or other fees and charges on the date that the Phased In Assessment Agreement is



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signed.

Part 15 Payment

15. 1 The Municipality will pay Annual Rebates once annually, in the last quarter of the year, provided that:
- 15.1.1 there are no outstanding taxes, sewer rates, or other sums owed to the Municipality with respect to the subject property;
 - 15.1.2 there are no outstanding work orders or orders or requests to comply from any municipal or provincial entity with respect to the subject property; and
 - 15.1.3 all other eligibility criteria and conditions are met.
15. 2 an Owner will not be entitled to an Annual Rebate if the property subject to a Phased In Assessment Agreement does not meet the conditions of Part 15.1 at the time the Annual Rebate is due to be paid;
15. 3 annual Development Rebates will not be applied as tax credits against property tax accounts; and
15. 4 in case of an assessment appeal, the Municipality reserves the right to withhold Annual Development Rebates pending final disposition of the appeal.

Part 16 Requirement to Review By-Law

16. 1 This By-law shall be reviewed by the Municipality within four years of its coming into force and every four years thereafter in accordance with section 71(E) of the *Municipal Government Act*.



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Chief Administrative Officer's Annotation for Official By-Law Book

Date of First Reading	November 27, 2019
Date of Advertisement of Notice of Intent to Consider	January 1, 2020
Date of Second Reading	January 22, 2020
Date of Advertisement of Passage of By-Law	February 5, 2020
Date of Mailing to Minister a Certified Copy of By-Law	February 12, 2020

I certify that this Commercial Development District Improvements Plan C-028-19 was adopted by Council and published as indicated above.

Chief Administrative Officer

February 13, 2020

Date

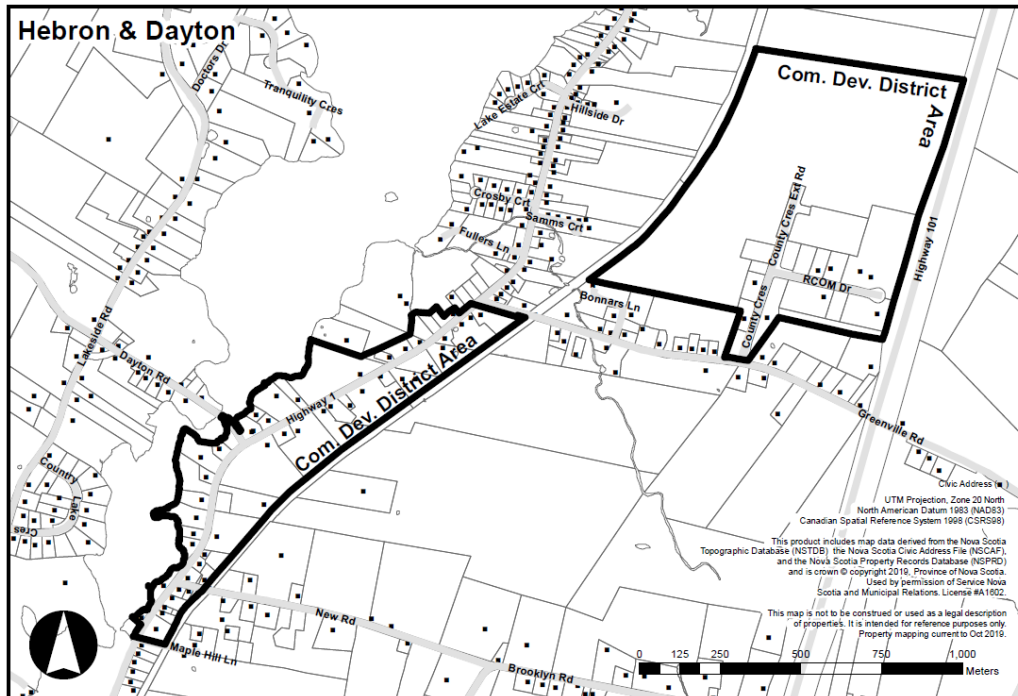
Date last reviewed by Council:



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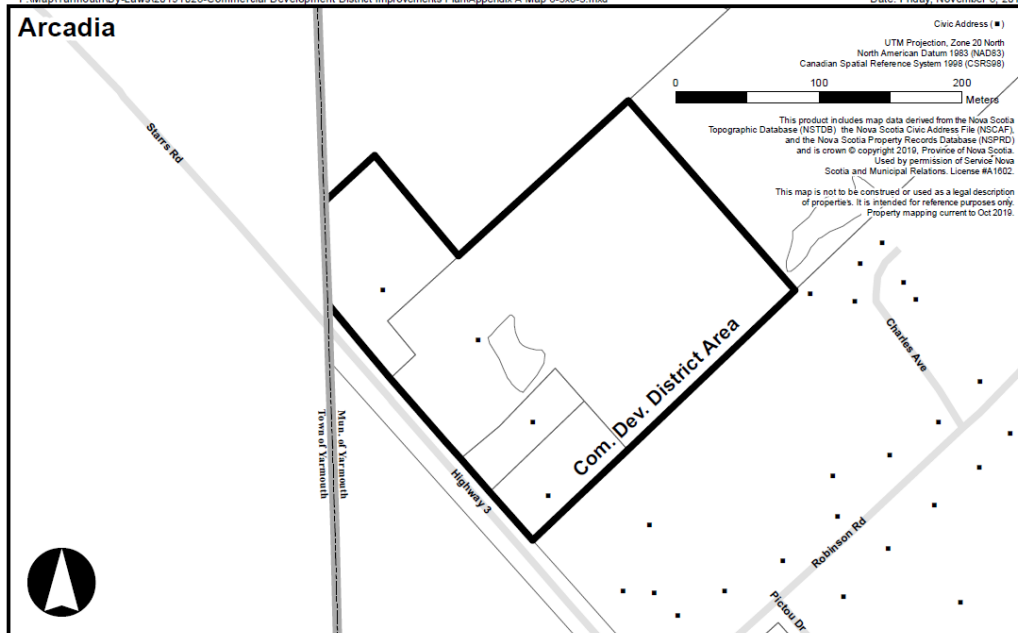
Effective Date:
February 5,
2020

Appendix "A"



F:\Map\Yarmouth\By-Laws\20191028-Commercial Development District Improvements Plan\Appendix A Map 6-5x8-5.mxd

Date: Friday, November 8, 2019



Appendix "B"

**Municipality of the District of Yarmouth
Phased In Assessment Agreement**

THIS AGREEMENT made as of the _____ day of _____, 2____

BETWEEN:

(the "**Applicant**")

– and –

(the Municipality of the District of Yarmouth

[the "**Municipality**"]

WHEREAS the Municipality of the District of Yarmouth adopted By-Law No. C-038-19 cited as the "Central Development District Improvement Plan By-Law" (CDDI By-law), [a partial rebate program consisting of annual rebates to participating owners who undertake development on eligible property in the Central Development District.]

AND WHEREAS the Applicant is the registered owner or the person having the owner's authorization, of an eligible property which is located within the Central Development District and has applied to the Municipality for participation in the Development Rebate Program for the Property described below in Part 1 and in Schedule "A" of this Agreement; (the "**Property**");

AND WHEREAS the Municipality requires that a Phased In Assessment Agreement be entered into between the Applicant and the Municipality;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises, covenants and agreements hereinafter contained on the part of the Applicant to be observed, fulfilled and performed as hereinafter required and the approval of the Applicant's application for participation in the Development Rebate Program by the Municipality, subject to and in accordance with, the terms and conditions of this Agreement, the parties covenant and agree as follows:

Part 1 PROPERTY INFORMATION:

Applicant:

Name of registered Property Owner: _____

Address of Property: _____

Property Identification Number(s): _____

Mailing Address of Owner: _____

Name of Agreement Recipient: _____

Mailing address of Recipient: _____

The Legal Description of the Property as set out in Schedule "A" of this Agreement.

Part 2 DEFINITIONS

Please note: the terms Actual Taxable Assessed Value, Base Year Taxable Assessed Value, Development, Rebate Eligible Assessment are defined in the CDDI By-law.

The following terms shall have the meanings set out below:

- 2.1 Agreement** means this Phased-In Assessment Agreement which is entered into between the parties pursuant to sections 71C and 71D of the *Municipal Government Act*, and the Commercial Development District Improvements Plan By-Law C-038-19 enacted by the Council of the Municipality and as amended from time to time;
- 2.2 Applicant** means the owner of the property, or a person having the owner's authorization to apply for the Development Rebate Program;
- 2.3 CAO** means the Chief Administrative Officer of the Municipality. The CAO is the approving authority for purposes of this Agreement where authority is not required to come from Council;
- 2.4 CDDI** means Commercial Development District Improvement Plan By-Law;
- 2.5 DoF** means Director of Finance for the Municipality;
- 2.6 Development Rebate Program** means program established by CDDI By-law for a maximum period of 10 years;
- 2.7 Development Rebate** means annual rebate amount calculated each year as set out in Part 7.1 of the CDDI By-law.
- 2.8 Eligible Costs** means:
- Construction/retrofit/expansion costs as shown by the main Building Permit for the development;
 - The cost of associated studies and surveys;

- The cost of development of plans and specifications;
- The cost of implementation and administration of the project including staff and professional service costs for architectural, engineering, legal, financial and planning services; and
- Notwithstanding the above, costs which are typically treated as capital costs using generally accepted accounting principles (GAAP).

Eligible costs do not include any costs or portion thereof covered by any form of financial assistance from a Provincial or Federal government or a board or agency of such government.

2.9 Eligible Use means permitted commercial uses as set out in the *Municipal Planning Strategy and Land Use By-Law*;

2.10 Owner means the registered owner(s) of the Property at the date this Agreement is signed;

2.10 Property means the Property described in Part 1 and Schedule “A” of this Agreement;

2.11 Recipient means the Applicant, authorized to receive a development rebate;

2.12 Municipal Solicitor means the lawyer appointed by the Municipality for the purpose of registering this Agreement in the Registry of Deeds or under the Land Registration System, whichever is applicable.

Part 3 PARTICIPATION IN DEVELOPMENT SUPPORT PROGRAM

3.1 The Applicant’s participation in the Development Rebate Program is conditional on the Applicant ensuring that at all times the following conditions are met:

the objectives and participation requirements of this Agreement and the CDDI By-law, attached as Schedule “C” to this Agreement, are met from year to year;

- (a) all applicable Provincial and Municipal requirements, policies and procedures are met;
- (b) the Applicant is in compliance with all of the terms and conditions of this Agreement and is in conformance with all Building Permits and other regulatory approvals pertaining to the Property;
- (c) the property has undergone development; and
- (d) the Applicant is not in arrears of taxes, area rates, or any other charges in favour of the Municipality.

Part 4 DEVELOPMENT REBATE FUNDING CALCULATION

- 4.1 A development rebate is calculated by the DoF as a percentage of the Rebate Eligible Assessment as shown in Schedule "E" to this Agreement;
- 4.2 prior to the commencement of the Development Rebate Program, the DoF shall determine the Base Year Taxable Assessed Value used to calculate the Annual Rebate Eligible Tax Assessment and the corresponding annual development rebate payable for development. Following this determination, Schedule "E" will be amended annually to show the Actual Taxable Assessed Value, the Rebate Eligible Taxes, and the annual development rebate amount payable as determined by the DoF;
- 4.3 the Applicant shall have an opportunity to review the DoF's calculation of the Base Year Taxable Assessed Value prior to the finalization of Schedule "E", however, the DoF's determination as to the calculation of the Base Year Taxable Assessed Value, and the amount of the development rebate, shall be final;
- 4.4 in calculating the annual development rebate payable for the development, the Rebate Eligible Assessment shall be calculated annually from the first year that the subject Development Rebate is payable, or the first year that the Owner elects to make the Annual Taxable Assessed Value election in accordance with this Agreement and CDDI By-law;
- 4.5 the development rebate will be reduced by the DoF for the year in which a development rebate is paid, to reflect the amount of any rebate(s) of municipal taxes paid to the Owner from any other source, including but not limited to rebates to reflect charitable status tax rebates related to the development (excluding the Development Rebate Program). Any such reductions shall be in an amount reflecting the product of the municipal portion of taxes rebated and the development rebate percentage level applicable to that year; and
- 4.6 the total of development rebates paid over a ten year maximum term of the program must not result in the calculation of the total increase in taxes payable during the phase-in period being less than fifty (50%) percent of the total increase in taxes that would be payable during the same period in the absence of the application of the formula.

REBATE ELIGIBLE ASSESSMENT

- 4.7 Subject to Part 4.9 and 4.10 of this Agreement, the Base Year Taxable Assessed Value shall remain fixed for the duration of the Development Rebate Program;
- 4.8 the Rebate Eligible Assessment will be amended by the DoF, as necessary, to reflect changes to the total Municipal Property Taxes payable in any year, as a result of successful assessment appeals, requests for reconsideration, equity changes, gross errors or other changes to Actual Taxable Assessed Value that have the effect of changing the amount used to calculate the Actual Taxable Assessed Value;
- 4.9 where the Rebate Eligible Assessment is amended in accordance with Part 4.8, future development rebates shall be adjusted accordingly for the duration of the Development Rebate Program period. Such adjustments may reflect any overpayment of development rebate arising from successful assessment appeals that occur subsequent to the commencement of payment of development rebates;
- 4.10 if at any time the Owner appeals any assessment relating to the development that, in the opinion of the CAO, may impact the calculation of the Rebate Eligible Assessment, the

Municipality shall withhold any or all of the Development Rebate that would otherwise be paid for the development, based on a reasonable estimate of the reduction in assessment being sought, pending final disposition of the appeal. If as a result of the decision of the appeal body, the Actual Taxable Assessed Value is reduced below the amount determined in calculating the Rebate Eligible Assessment, then the reduced Rebate Eligible Assessment shall be the basis for determining the development rebate payable under this Agreement;

- 4.11 where Part 4.9 and 4.10 apply, any overpayment of a development rebate arising from subsequent assessment or tax reductions will be deemed to be a debt owing to the Municipality which the Owner shall pay forthwith together with the same interest charged for overdue accounts by the Municipality; and
- 4.12 If at any point after the development is complete, additional work is proposed on the Property that is not part of the original Program application, but may serve to further increase the current year tax assessed value , such additional work shall not be included in the calculation of the development rebate in this Agreement, but may be the subject of a further Development Rebate Program application, subject to the continued availability of the Development Rebate Program and the eligibility requirements and rebate entitlements in effect at that time.

Part 5 FUNDING PAYMENT

- 5.1 Subject to Part 6 of this Agreement, development rebate payments to a maximum of ten (10) annual payments will commence being paid the first taxation year in which the Rebate Eligible Assessment is capable of being determined.
- 5.2 Development rebates cannot be applied as tax credits against the Property tax account.

Part 6 CONDITIONS OF PAYMENT

- 6.1 The CAO shall determine whether the Applicant has satisfied the participation requirements of this Agreement and the Schedules attached hereto.
- 6.2 A development rebate will only become payable after the property is first reassessed by the PVSC to fully reflect the development for which the Applicant might receive a rebate.
- 6.3 A rebate can only be paid once annually, in the last quarter of the year, provided that:
- (a) there are no outstanding taxes, water/sewer rates, or other sums owed to the Municipality with respect to the property;
 - (b) there are no outstanding work orders and/or orders or requests to comply from any municipal or provincial entity; and
 - (c) all other required criteria and conditions are met.

Part 7 OWNERS' OBLIGATIONS

Compliance with Rebate Application

- 7.1 The Applicant shall undertake the development in accordance with the Development Rebate Program.

Compliance with Municipal Directives

- 7.2 The Applicant shall strictly comply with and observe all material requirements,

stipulations, guidelines and directives related to the Development Rebate Program as required by the Municipality, and shall undertake all necessary courses of action to ensure compliance.

Compliance with Legislation

- 7.3 The Applicant agrees that the development shall be completed in compliance with all required Building Permits and Development Agreements, and constructed in accordance with the Nova Scotia Building Code Act and all applicable Land-Use By-law requirements, Municipal requirements and other approvals required at law.

Demolition/Conversion

- 7.4 The Applicant covenants to the Municipality that the development will not be demolished, in whole or in part, or converted to an ineligible use, in whole or in part, prior to the advance of all of the payments over the term of this Agreement unless such demolition is required to enable Property enhancement approved by the Municipality under the terms of this Agreement;
- 7.5 the Applicant shall ensure that the Property is maintained in its redeveloped condition in accordance with this Agreement; and
- 7.6 the Applicant further covenants that if at any time during the Development Rebate Program the building which underwent development is demolished, in whole or in part, or converted to an ineligible use, in whole or in part, the CAO, in his or her sole discretion will cease to advance future development rebates or reduce the amount of future development rebates on a pro-rated basis to reflect the date of the demolition or conversion.

Payment of Costs

- 7.7 The Applicant acknowledges that without limiting the generality of the other provisions of this Agreement:
- (a) the onus and responsibility is upon the Applicant at all times to assume all costs of development and to apply for and obtain, at the Applicant's expense, all approvals and permits required from the Municipality and all other agencies including but not limited to all Municipal Planning Strategy Amendments, Land Use By-law amendments, minor variances, site plan approval and building permits in accordance with all applicable legislation; and
 - (b) the Owner remains responsible at all times for the payment in full of all amounts in respect of property taxes, water/sewer and any other charges that may be levied by the Municipality relating to the Property as and when they fall due.

Development Permits

- 7.8 Applications to participate in the Development Rebate Program must be made prior to the issuance of the first Occupancy Permit for the development.

Part 8 ASSIGNMENT

- 8.1 The Applicant covenants to the Municipality that if the Owner intends to sell, transfer or assign the Property or if for any reason the Property ceases to be registered in the

Owner's name prior to the advance of all of the development rebate payments, the Applicant will immediately notify the CAO in writing of such change or proposed change of ownership;

8.2 The payment of development rebates shall cease upon the sale, transfer or assignment of the Property, unless, prior to the completion of such sale, transfer or assignment, the Owner and the new owner enter into an agreement with the Municipality, in a form and content satisfactory to the CAO and the Municipal Solicitor, in which it is agreed that either:

- (a) the new owner shall have the right to participate in the Development Rebate Program; or
- (b) the Applicant shall continue to receive the Development rebates

Provided that:

- (c) the new owner shall assume the Applicant's obligations under this Agreement from and after the date of completion of such sale, transfer or assignment;

and

- (d) the new owner shall require that any subsequent owner(s) of the Property shall assume the Applicant obligations under this Agreement;

8.3 where the Applicant wishes to assign the right to receive the development rebates to a recipient, who is not a new owner, the CAO, in the CAO's sole discretion, may agree to the assignment provided that the Recipient with the written consent of the owner enter into an agreement with the Municipality, in a form and content satisfactory to the CAO and the Municipal Solicitor, acting reasonably, in which it is agreed that such assignment shall not relieve the Applicant of any of the Applicant's obligations and responsibilities under this Agreement, nor shall it affect in any way the Municipality's rights under this Agreement; and

8.4 it is the responsibility of the Applicant or Owner to provide in writing to the CAO a change in Recipient. It is at the discretion of the CAO to determine if an adjustment to the development rebate is appropriate on the identification of a new Recipient by the Applicant.

Part 9 MUNICIPAL RIGHTS

No Representation

9.1 Nothing in this Agreement shall be construed to be a representation by the Municipality regarding compliance of the Property with any applicable legislation, regulations, policies, standards, permits, approvals or by-laws.

No Claim for Compensation or Reimbursement

9.2 In the event that any of the conditions of this Agreement are not fulfilled and a development rebate is not advanced or required to be repaid, or the development rebate payments cease or are delayed, the Applicant and Owner agrees that notwithstanding any costs or expenses incurred by the Applicant or Owner, the Applicant or Owner shall

not have any claim for compensation or reimbursement of these costs and expenses against the Municipality and that the Municipality is not liable to the Applicant or Owner for losses, damages, interest, or claims which the Applicant or Owner may bear as a result of the lapse of time (if any) where the Municipality is exercising its rights herein to either delay a payment pending the Applicant or Owners' compliance with this Agreement, or to terminate this Agreement.

Part 10 DEFAULT AND REMEDIES

10.1 Subject to Part 10.3, on the occurrence of a Default under this Agreement, the Municipality shall be entitled to all available remedies to terminate or enforce this Agreement, including, but not limited to:

- (a) immediate termination and cessation or delay of the release of a development rebate otherwise payable to the Applicant; and
- (b) requiring the Applicant or Owner to immediately repay to the Municipality all or a portion of any development rebates paid to the Applicant or Owner together with interest at the established Municipal Rate;

10.2 a default under this Agreement ("**Default**") shall be deemed to occur upon the failure of the Applicant or Owner to perform any of the obligations of the Applicant or Owner contained in this Agreement or to comply with all of the terms and conditions contained in this Agreement, including, but not limited to, the following:

- (a) failure by the Applicant or Owner to satisfy the minimum requirements as set out in this Agreement and the CDDI By-law;
- (b) failure by the Applicant or Owner in any material respect, to perform any of the obligations contained in this Agreement;
- (c) failure by the Applicant or Owner to pay and keep in good standing all real property taxes with respect to the Property and all other charges against the Property in favour of the Municipality, including but not limited to development charges, special assessments, local improvement charges, sewer and water and utility rates;
- (d) the making of an assignment by the Applicant or Owner for the benefit of creditors, or if the Applicant or Owner assigns in bankruptcy or takes advantage of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of bankrupt or insolvent debtors; receipt of a receiving order against the Applicant or Owner, or if the Applicant or Owner is adjudged bankrupt or insolvent, or if a liquidator or receiver is appointed by reason of any actual or alleged insolvency, or any default of the Applicant or Owner under any mortgage or other obligation, or if the Property or the interest of the Applicant or Owner in the Property is taken or sold by any creditors or under any writ of execution or other like process;
- (e) failure by the Applicant or Owner to remain in contact with the Municipality such that the Municipality is unable to contact the Applicant or Owner for a period of time exceeding one (1) year;
- (f) any representation or warranty made by the Applicant or Owner in this Agreement or the Development Rebate Program is incorrect in any material

respect; and

- (g) willful defaults by the Applicant or Owner in the payment of moneys to any contractor, supplier or creditor, who has undertaken the works that are the subject of this Agreement;

10.3 if a Default occurs, the Municipality shall give written notice to the Applicant or Owner specifying the nature of the Default. The Applicant or Owner shall then have sixty (60) days, or such additional time as may be agreed to by the Municipality, acting reasonably, from the receipt of such notice of Default to rectify the Default, during which time all Development rebate payments may, in the CAO's sole discretion, be suspended, provided that if the Default is such that it cannot with due diligence be wholly rectified within sixty (60) days, or such additional period of time as may be agreed to by the CAO, and the Applicant or Owner has commenced and continues diligently working to correct the Default, the Applicant or Owner shall not be deemed to be in default of this Agreement so long as it proceeds with due diligence to rectify the Default. If the Applicant or Owner fails to rectify the Default within the sixty (60) day time period or such additional time as may be agreed to by the CAO, and provided that the Applicant or Owner has not commenced and continued diligently working to correct the subject Default, the CAO shall have the option, in the CAO's sole discretion, to exercise the remedies under Part 10.1.

10.4 Wherever in this Agreement the Municipality requires repayment of all or part of any Development rebate and the Applicant or Owner fails to repay as required, the unpaid amounts shall be deemed to be a debt owing to the Municipality, and may be added to the tax roll for the property, together with interest at the Municipal rate.

Part 11 INDEMNITY

11.1 The Applicant or Owner shall indemnify, save, defend and keep harmless from time to time and at all times, the Municipality and its elected officials, officers, employees and agents from and against all claims, actions, causes of action, interest, demands, costs, charges, damages, expenses and loss made by any person arising directly or indirectly:

- (a) in respect of any failure by the Applicant or Owner to fulfill its obligations under this Agreement; and
- (b) in respect of any loss, damage or injury (including death resulting from injury) to any person or property, however caused, directly or indirectly, resulting or sustained by reason of any act or omission of the Applicant or Owner or any person for whom the Applicant or Owner is in law responsible in connection with any of the purposes set out in this Agreement or the failure by the Applicant or Owner to fulfill its obligations under this Agreement;

This indemnification shall, in respect of any matter arising prior to the termination of this Agreement, remain in force following termination or expiry of this Agreement.

Part 12 ADDITIONAL PROVISIONS

Term

- 12.1 This Agreement shall remain in effect from the date of its execution by the Municipality to the earlier of:
- (a) the Applicant informing the Municipality in writing prior to the first development rebate payment that it has decided not to accept any Development Rebates;
 - (b) subject to the provisions of Part 10 of this Agreement, the Municipality informing the Applicant or Owner in writing that due to the non-fulfillment of a required condition or due to Default, this Agreement is at an end;
 - (c) the expiry of the Development Rebate Program period after 10 years; and
 - (d) the Applicant informing the Municipality in writing at any point after receiving the first Development Rebate payment, that it no longer wishes to receive Development Rebates.

Time of the Essence

- 12.2 Time shall be of the essence with respect to all covenants, agreements and matters contained in this Agreement.

Extension of Time

- 12.3 Where a time limit or deadline is provided for under this Agreement, the CAO, acting reasonably, may extend such time limit or deadline without an amendment to this Agreement.

Registration

- 12.4 Upon execution of this Agreement, the Municipality, at the Owner's expense, shall register or cause this Agreement to be registered on title to the Property immediately following execution by the Municipality.

Schedules

- 12.5 The following Schedules are attached to and form part of this Agreement:

Schedule "A"	Legal Description of the Property
Schedule "B"	Example of Development Rebate Calculation
Schedule "C"	CDDI
Schedule "D"	List of Development Plans
Schedule "E"	Development Rebate Calculation

Survival of Covenants

12.6 Any terms or conditions of this Agreement that require performance by the Municipality or the Applicant or Owner after the expiration or other termination of this Agreement remain enforceable notwithstanding such expiration or other termination of this Agreement for any reason whatsoever.

Notice

12.7 Any notice required to be given by either party to the other shall be given in writing and delivered in person or by facsimile transmission to:

(a) In the case of the Municipality to:

CAO
Municipality of the District of Yarmouth
932 Highway 1
Hebron, N.S.
B5A 5Z5
Fax (902) 742-3164

(b) In the case of the Applicant/Owner to:

Notice shall be deemed to have been received on the day of personal delivery or facsimile transmission if such day is a business day and delivery is made prior to 4:00 p.m. and otherwise on the next business day. The parties agree to notify each other immediately, in writing, of any changes of address from those set out above.

Entire Agreement

12.8 This Agreement and the Schedules attached to it constitute the entire Agreement between the parties and there are no agreements collateral to it other than as referred to herein and no representations or warranties, express or implied, written or verbal, statutory or otherwise, other than as expressly set forth or referred to in this Agreement.

Municipal Government Act

12.9 Nothing in this Agreement limits or fetters the Municipality in exercising its statutory jurisdiction under the *Municipal Government Act*, or under any other legislative authority or By-law and in the event that the Municipality decides to grant or deny any request or oppose or appeal any decision made pursuant to any such legislation, such action by the Municipality is not in any manner affected or limited by reason of the Municipality entering into this Agreement.

Governing Law

12.10 This Agreement will be exclusively governed, construed and enforced in accordance with the laws of the Province of Nova Scotia and the Owner agrees to attorn to the

jurisdiction of the Province of Nova Scotia.

Waiver and Consent

12.11 No consent or waiver, express or implied, by either party to or of any breach or Default by either party of any or all of its obligations under this Agreement or any amendment of this Agreement will:

- (a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this Agreement;
- (b) be relied upon as a consent or waiver to or of any other breach or Default of the same or any other obligation;
- (c) constitute a general waiver under this Agreement, or
- (d) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other instance.

Headings

12.12 The division of this Agreement into articles, sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The articles, section, subsection and schedule headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and should not be considered part of this Agreement.

Extended Meanings

12.13 Words expressed in the singular include the plural and vice-versa and words in one gender include all genders.

Severability

12.14 If any provision of this Agreement is invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Agreement.

Further Assurances

12.15 The parties agree that they shall each execute, deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be required or as the other party may reasonably request in order to give full effect to this Agreement.

Force Majeure

12.16 If either party is prevented or delayed from performing any of the obligations on its part to be performed hereunder by reason of an Act of God, strike, labour dispute, lockout, threat of imminent strike, fire, flood, interruption or delay in transportation, war, acts of terrorism, insurrection or mob violence, requirement or regulation of government, or statute, unavoidable casualties, shortage of labour, equipment or material, plant breakdown or failure of operation, equipment or any disabling cause (other than lack of funds), without regard to the foregoing enumeration, beyond the control of the parties which cannot be overcome by the means normally employed in performance, then and

in every such event, any such prevention or delay shall not be deemed a breach of this Agreement but performance of any of the said obligations or requirements shall be suspended during such period or disability and the period of all such delays resulting from any such causes shall be excluded in computing the time within which anything required or permitted by either party to be done is to be done hereunder, it being understood and agreed that the time within which anything is done, or made pursuant thereto shall be extended by the total period of all such delays.

Successors and Assigns

12.17 The terms and provisions of this Agreement shall ensure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorized representatives effective this _____ day of, 20_____

MUNICIPALITY OF THE DISTRICT OF YARMOUTH

Name:
Title: CAO

Name:
Title:

I have authority to bind the corporation.

SCHEDULE "A"

LEGAL DESCRIPTION OF OWNER'S LAND

SCHEDULE "B"

EXAMPLE OF DEVELOPMENT REBATE CALCULATION

A. Pre-Development Base Year Taxable Assessed Value:

(1)

Base Year	Base Year Taxable Assessed Value
2000	\$100,000

B. Post-Development Actual Taxable Assessed Value: ***NOTE: All values and rates are for example purposes only and do not necessarily reflect actual rates and values in force or applicable to each specific development project.***

(2)

(3)

Yrs	Rebate Year	Actual Taxable Assessed Value	Current Commercial Municipal Tax
1.	2001	\$200,000	3.00
2.	2002	\$200,000	3.00
3.	2003	\$225,000	3.00
4.	2004	\$250,000	3.00
5.	2005	\$225,000	3.00
6.	2006	\$225,000	3.00
7.	2007	\$225,000	3.00
8.	2008	\$225,000	3.00
9.	2009	\$200,000	3.00
10.	2010	\$200,000	3.00

C. Development Rebates:

Yrs	(4) Rebate %	(5) = (2-1) Rebate Eligible Assessment	(6) = (5 x 3) Rebate Eligible Taxes	(7) = (6 x 4) Rebate Amount \$	(8) Cumulative % Payable
1.	90%	\$100,000	\$3,000	\$2,700	10.0%
2.	80%	\$100,000	\$3,000	\$2,400	20.0%
3.	70%	\$125,000	\$3,750	\$2,625	30.0%
4.	60%	\$150,000	\$4,500	\$2,700	40.0%
5.	50%	\$125,000	\$3,750	\$1,875	50.0%
6.	50%	\$125,000	\$3,750	\$1,875	50.0%
7.	40%	\$125,000	\$3,750	\$1,500	60.0%
8.	30%	\$125,000	\$3,750	\$1,125	70.0%
9.	20%	\$125,000	\$3,750	\$750	80.0%
10.	10%	\$100,000	\$3,000	\$300	90.0%
Totals (9) & (10):			\$36,000	\$17,850	\$18,150.
Calc: % max vs actual:			50%	49.6%	
Total Allowable Rebate:			\$18,000	\$17,850	

Total Allowable Development Rebates over the program period cannot exceed 50%.

SCHEDULE "C"

CDDI BY-LAW

**CENTRAL DEVELOPMENT DISTRICT IMPROVEMENTS IN MUNICIPALITY OF THE
DISTRICT OF YARMOUTH**

SCHEDULE "D"

DEVELOPMENT PLANS & DRAWINGS

SCHEDULE "E"

DEVELOPMENT REBATE CALCULATION

Address:

Property Identification No.:

A. Pre-Development Base Year Taxable Assessed Value:

(1)

Base Year	Base Year Taxable Assessed Value
	\$

B. Post-Development Actual Taxable Assessed Value:

(2)

(3)

Yrs	Rebate Year	Actual Taxable Assessed Value	Current Commercial Municipal Tax Rate
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10.		\$	

C. Development Rebates:

(4)

(5) = (2-1)

(6) = (5 x 3)

(7) = (6 x 4)

(8)

Yrs	Rebate %	Rebate Eligible Assessment	Rebate Eligible Taxes	Rebate Amount \$	Cumulative % Payable
1.	90%	\$	\$	\$	
2.	80%	\$	\$	\$	
3.	70%	\$	\$	\$	
4.	60%	\$	\$	\$	
5.	50%	\$	\$	\$	
6.	50%	\$	\$	\$	
7.	40%	\$	\$	\$	
8.	30%	\$	\$	\$	
9.	20%	\$	\$	\$	
10.	10%	\$	\$	\$	
Totals (9) & (10):			\$	\$	
Re-calculate:			50%	\$	
Total Allowable Rebate:			\$	\$	

Total Allowable Development Rebate over the program period cannot exceed 50%.

TOWN OF STELLARTON

BY-LAW # 52



BY-LAW RESPECTING COMMERCIAL DEVELOPMENT DISTRICT IMPROVEMENTS FOR THE TOWN OF STELLARTON

BE IT RESOLVED that this By-Law, known as the Commercial Development District Improvements By-Law for the Town of Stellarton, be enacted effective this 19th day of November, 2018

TITLE

1. This By-Law may be cited as the "Commercial Development District Improvements By-Law" [By-Law].

DEFINITIONS AND INTERPRETATION

2. The defined terms in the Phased-In Assessment Agreement forming part of this By-Law apply herein, and any other capitalized words herein are defined in the Towns of New Glasgow, Pictou, Stellarton, Trenton and Westville (Common) Land Use By-Law ("LUB"); additional terms as follows shall have the meanings set out below:

(a) "**Base Year Taxable Assessed Value**" means the Taxable Assessed Value for the taxation year in which a Phased-In Assessment Agreement is signed for the eligible Property to be Developed and shall remain fixed for the duration of the term of the Development Support Program for the eligible Property;

(b) "**Commercial Development District (CDD)**" means all properties located within the Town limits and the **Albion Business Park District** of the Town of Stellarton Secondary Planning Strategy as depicted in the attached Schedule "A";

(c) "**Development**" means investment that results in an increase in the productive use of a Property within the CDD, and includes new building construction, or existing building expansion or renovation;

(d) "**Development Support Program**" (DSP) means a program which provides assistance to eligible Property Owners by offering an annual partial rebate on taxes if the Owner has engaged in Property Development in the CDD.

(e) "**Owner**" means the registered Owner of a property located within the CDD;

- (f) **“Phased-In Assessment Agreement”** means an agreement between an eligible Owner and the Town in the form attached hereto as Schedule “B”.
- (g) **“Rebate Eligible Assessment”** means the amount calculated using the following formula:
 Rebate Eligible Assessment =
 Taxable Assessed Value – Base Year Taxable Assessed Value
- (h) **“Taxable Assessed Value”** means the Taxable Assessed Value as determined by the Property Valuation Services Corporation (PVSC) for each taxation year in which the Rebate Eligible Assessment applies, subject to any adjustments to taxes arising from assessment appeals or from changes to the Taxable Assessed Value made by PVSC through requests for reconsideration;
- (i) **“Threshold”** means commercial properties qualifying under this By-Law that have an annual increase in Rebate Eligible Assessment exceeding the Base Year Taxable Assessed Value by \$10,000; and
- (j) **“Town”** means the Town of Stellarton.

APPLICATION

3. This By-Law is enacted pursuant to Section 71C and 71D of the *Municipal Government Act*, S.N.S. 1998, c. 18 (MGA). This By-Law sets out a Development Support Program for Owners of Eligible Commercial Properties.
4. This By-Law allows for the phasing-in, over a maximum period of 10 years, of an increase to the Taxable Assessed Value provided the Threshold is met of certain commercial properties located in the CDD and further to provide a rebate as calculated under this By-Law as a result of the phasing-in.
5. (a) This By-Law shall apply to a Property as defined in the Phased-In Assessment Agreement, which meets the definition of an eligible Property as defined in subsection 71C (1) of the MGA if that Property is located within the CDD as defined in the Town of Stellarton Secondary Planning Strategy and in this By-Law as depicted in the attached Schedule “A”, and if that Property meets the Threshold assessment.

 (b) Notwithstanding the above and section 71C(4) MGA, for any lot in the CDD with frontage serviced by water and wastewater but that requires a force main or lift station to connect to Town systems, the Town shall not be responsible for installation or other costs for such force main or lift station.
6. This By-Law is intended to add to, and not to conflict with or subtract from, the provisions of valid provincial or federal legislation and shall be interpreted accordingly.

DEVELOPMENT SUPPORT PROGRAM

- 7. The DSP purpose is to provide incentive to construct, expand and renovate commercial properties thereby stimulating the local economy.
- 8. The DSP may provide a participating Owner with a partial rebate on eligible Property taxes paid by using all or a portion of the Rebate Eligible Assessment.

DEVELOPMENT

- 9. Development of eligible Property must precede entry into the DSP.

PHASED-IN ASSESSMENT AGREEMENT

- 10. (a) A Phased-In Assessment Agreement (hereafter, "Agreement") between the eligible Property Owner and the Town must precede entry into the DSP, in the form attached hereto as Schedule "B".

(b) An Agreement is intended to complement and provide specifications for the subject Property. The eligibility criteria for the DSP are governed by this By-Law, which prevails over the Agreement or any other agreement or contract in the event of conflict.

REBATE CALCULATION

- 11. An annual Development Rebate amount shall be calculated each year by multiplying the following percentages against the Rebate Eligible Assessment:

Year	Rebate (as applied against the Rebate Eligible Assessment)
1	90%
2	80%
3	70%
4	60%
5	50%
6	50%
7	40%
8	30%
9	20%
10	10%

REBATE APPLICATION AND LIMITS

- 12. (a) Per section 71C(6) MGA, the formula described in provision 11 of this By-Law to calculate annual Development Rebate cannot produce a rebate that exceeds fifty percent of the total increase in taxes that would have been payable during the same period in the absence of the application of the formula.

(b) Rebates for eligible Properties pursuant to the DSP are a commercial Development incentive, and accordingly, are limited to the general commercial levy and are not applicable to any other rates or fees including, without limitation, area rates, user fees, and flat fees.

ADJUSTMENTS

13. In the event of subsequent reductions in the total taxes payable in any year from assessment appeals, and where such tax changes occur after Development Rebate amounts have been paid, future year rebate entitlements may be reduced accordingly. Any overpayment of rebate amounts arising from subsequent assessment or tax reductions will be deemed to be a debt owing to the Town in the same manner and with the same effect as rates and taxes under the *Assessment Act*.

DURATION

14. Development Rebates will become payable to the Owner only after eligible Property reassessment by PVSC to reflect the Development for which the rebate is applicable.

15. All rebates will cease upon building demolition during the program excepting expansions of an pursuant to a Phased in Assessment Agreement. Rebate amounts payable in the year of demolition will be adjusted *pro rata* to the date of demolition.

STAGED DEVELOPMENT

16. Staged Developments will be treated as separate properties for each discrete Development. The first DSP rebate payment will be based on the Rebate Eligible Assessment on the first portion of the Development. For each stage of Development that results in further assessment increases, the Owner may apply for further rebates based on the additional Rebate Eligible Assessment, subject to the continued availability of the DSP and related entitlements and the continued eligibility of the subject Property.

CONDOMINIUMS

17. If the eligible Property Development involves condominium construction, each condominium unit will be treated as a stand-alone Development and must satisfy all eligibility criteria of the DSP.

REPEAL

18. (a) In the event that this By-Law, or any portion thereof, is repealed, any Applicant who has been accepted to participate in the DSP prior to the date of repeal will benefit, as applicable, in accordance with this By-Law notwithstanding such repeal.

(b) In the event of a repeal in 18(a), for Applicants who are accepted into the DSP as of the repeal date, this By-Law will continue in force and effect only to the extent of

providing for the continuation of the DSP to the expiry of the ten-year maximum term or earlier discontinuation of the Applicant's participation.

OTHER CONDITIONS

19. An application to the DSP must precede issuance of the first building permit for eligible Property Development.
20. All proposed Development must be in compliance with all federal, provincial and municipal legislation and policies as applicable, and all improvements are subject to regulatory approvals, permits and zoning requirements as applicable.
21. The DSP Applicant must be the eligible property Owner.
22. The eligible Property Owner must not be in arrears of Property taxes or other fees and charges on the date of execution of the Agreement.

PAYMENT

23. Rebates may be provided once annually, in the last quarter, provided that:
 - (a) there are no outstanding taxes, water rates, or other sums owed to the Town against the Property;
 - (b) there are no outstanding work orders or requests to comply or other orders from any municipal or provincial entity; and
 - (c) all other eligibility criteria and conditions are met.
24. Development Rebates will not be applied as tax credits against Property tax accounts.
25. In case of an assessment appeal, the Town reserves the right to withhold any further Development Rebates pending final disposition of the appeal.

REQUIREMENT TO REVIEW BY-LAW

26. This By-law shall be reviewed by the Town within four years of its coming into force and every four years thereafter in accordance with section 71(E) of the *Municipal Government Act*.

Town Clerk Annotation

Date of First Reading: October 15, 2018

Date of advertisement of Notice of Intent to Consider: November 1, 2018

Date of Second Reading: November 19, 2018

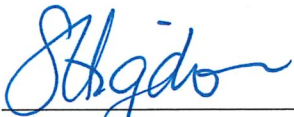
Date of advertisement of Passage of By-Law: December 20, 2018

Date of mailing to Minister a

certified copy of By-Law: December 21, 2018

Notice of Effective Date: April 1, 2019

I certify that the above COMMERCIAL DEVELOPMENT DISTRICT IMPROVEMENTS BY-LAW was adopted by Stellarton Town Council at duly called meetings and was published as indicated above.



Town Clerk

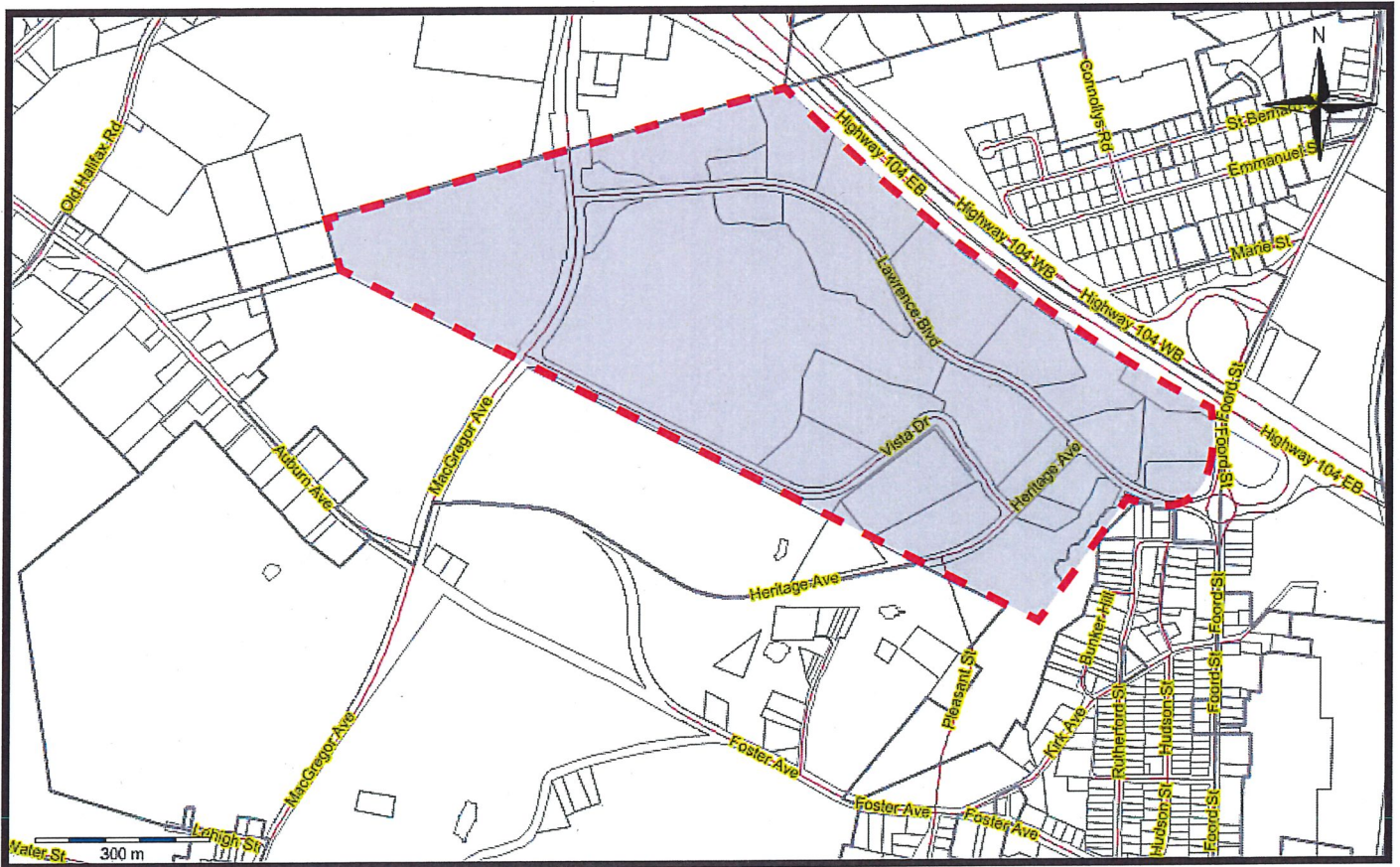


Date

Schedule "A"
Commercial Development District (CDD) Map

Schedule A to Commercial Development District Improvements Bylaw

Appendix A- Commercial Development District



Albion Business Park - Area 1
Stellarton, NS
Zone C4

Schedule "B"
Phased-In Assessment Agreement

Schedule "B" to Commercial Development District Improvements Bylaw

**Town of Stellarton
Phased-In Commercial Assessment Agreement**

THIS AGREEMENT made as of the day of , 20

BETWEEN:

(the "**Applicant**")

- and -

TOWN OF STELLARTON
(the "**Town**")

WHEREAS the Town adopted a "Commercial Assessment Phase-In By-Law" (By-Law), a partial rebate program consisting of annual rebates to participating Owners who undertake Development on eligible Property in the Commercial Development District (CDD);

AND WHEREAS the Applicant is the registered Owner, or the person having the Owner's authorization, of an eligible Property located within the CDD and has applied to the Town for participation in the Development Support Program for the Property described below in section 1 and in Schedule "A" of this Agreement (the "Property");

AND WHEREAS a Phased-In Assessment Agreement between the Applicant and the Town must precede entry into the DSP;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises, covenants and agreements hereafter contained the parties hereto agree as follows:

1. PROPERTY INFORMATION:

Applicant:

Name of registered Property Owner: Address of Property:

Property Identification Number(s): Mailing Address of Owner:

Name of Agreement Recipient: Mailing Address of Recipient:

The Legal Description of the Property as set out in Schedule "A" of this Agreement.

2. DEFINITIONS

Excepting other provision herein, the defined terms in this Agreement shall be the same as those set out in the By-Law, and Section 71C of the *Municipal Government Act*, 1998, c. 18 (MGA).

The terms Actual Taxable Assessed Value, Base Year Taxable Assessed Value, Development Rebate Eligible Assessment are referenced in the By-Law.

The following terms shall have the meanings set out below:

- 2.1 **Agreement** means this Phased-In Assessment Agreement which is entered into between the parties pursuant to sections 71C and 71D of the *Municipal Government Act*, and the Commercial Assessment Phase-In By-Law enacted by the Council of the Town of Stellarton and as amended from time to time.
- 2.2 **Applicant** means the Owner of the Property, or a person having the Owner's express written authorization to apply for the Development Support Program;
- 2.3 **TC** means the Town Council of the Town. The Town Council is the approving authority for purposes of this Agreement;
- 2.4 **Clerk** means the Town Clerk for the Town of Stellarton
- 2.5 **Development Support Program (DSP)** means the program established pursuant to the By-law for a maximum period of 10 years;
- 2.6 **Development Rebate** means the rebate amount calculated annually as set out in section 11 of the By-Law;
- 2.7 **Eligible Costs** means:
- Construction/retrofit/expansion costs as shown by the main Building Permit for the development;
 - The cost of associated studies and surveys;
 - The cost of development of plans and specifications; and
 - The cost of implementation and administration of the project including staff and professional service costs for architectural, engineering, legal, financial and planning services.

Eligible costs do not include any costs or portion thereof covered by any form of financial assistance from a Provincial or Federal government or a board or agency of such government.

- 2.8 **Eligible Use** means permitted commercial uses as set out in the Town of Stellarton Secondary Municipal Planning Strategy and Land Use By-Law;
- 2.9 **Owner** means the registered Owner(s) of the Property at the date of execution of this Agreement;
- 2.10 **Property** means the Property described in section 1 and Schedule "A" of this Agreement;
- 2.11 **Town Accountant** means the Accountant for the Town of Stellarton;
- 2.12 **Town Solicitor** means the lawyer appointed by the Town for the purpose of recording this Agreement on the applicable parcel register in the Nova Scotia Land Registry.

3. PARTICIPATION IN DEVELOPMENT SUPPORT PROGRAM

- 3.1 The Applicant's participation in the DSP is conditional upon the Applicant's compliance with the following:
- a. the year-to-year objectives and participation requirements of this Agreement and the By-Law, attached as Schedule "C" to this Agreement;
 - b. all applicable Provincial and Town legislation, requirements, policies and procedures;
 - c. All provisions of this Agreement and all Building Permits and other applicable regulatory approvals; and
 - d. the Property having undergone Development as defined in the By-Law.

4. DEVELOPMENT REBATE FUNDING CALCULATION

- 4.1 A Development Rebate is calculated by the Town Accountant as a percentage of the Rebate Eligible Assessment as shown in the sample attached hereto as Schedule "B" to this Agreement and as set out in the By-Law.
- 4.2 Prior to the commencement of the DSP, the Town Accountant shall determine the Base Year Taxable Assessed Value used to calculate the Annual Rebate Eligible Tax Assessment and the corresponding annual Development Rebate payable for the Development. Following this determination, the calculation as set out in Schedule "B" will be amended annually to show the Actual Taxable Assessed Value, the Rebate Eligible Taxes, and the annual Development Rebate amount payable as determined by the Town Accountant.
- 4.3 The Applicant shall have an opportunity to review the Town Accountant's calculation

of the Base Year Taxable Assessed Value; however, the Town Accountant's determination as to the calculation of the Base Year Taxable Assessed Value, and the amount of the Development Rebate, shall be final.

- 4.4 In calculating the annual Development Rebate payable, the Rebate Eligible Assessment shall be calculated from the first year that the subject Development Rebate is payable, or the first year that the Owner elects to make the Annual Taxable Assessed Value election in accordance with this Agreement and By-Law.
- 4.5 The Development Rebate will be reduced by the Town Accountant for the year in which a Development Rebate is paid, to reflect the amount of any rebate(s) of municipal taxes paid to the Owner, including but not limited to rebates to reflect charitable status tax rebates related to the Development.
- 4.6 Per section 71C(6) of the MGA, the formula described in provision 11 of the By-Law to calculate annual Development Rebate cannot produce a rebate that exceeds fifty percent of the total increase in taxes that would have been payable during the same period in the absence of the application of the formula, in accordance with section 12 of the By-Law.

REBATE ELIGIBLE ASSESSMENT

- 4.7 Subject to sections 4.9 and 4.10 of this Agreement, the Base Year Taxable Assessed Value shall remain fixed for the duration of the DSP.
- 4.8 The Rebate Eligible Assessment will be amended by the Town Accountant, as necessary, to reflect changes to the total Municipal Property Taxes payable in any year, as a result of successful assessment appeals, requests for reconsideration, equity changes, gross errors or other changes to Actual Taxable Assessed Value that have the effect of changing the amount used to calculate the Actual Taxable Assessed Value.
- 4.9 Where the Rebate Eligible Assessment is amended in accordance with section 4.8, future Development Rebates shall be adjusted accordingly for the duration of the DSP period. Such adjustments may reflect any overpayment of Development Rebate arising from successful assessment appeals that occur subsequent to the commencement of Development Rebate payments. Any overpayment of rebate amounts arising from subsequent assessment or tax reductions will be deemed to be a debt owing to the Town in the same manner and with the same effect as rates and taxes under the *Assessment Act*.
- 4.10 If at any time the Owner appeals any assessment relating to the Development that, in the opinion of the Town Clerk, may impact the calculation of the Rebate Eligible Assessment, the Town shall withhold any or all of the Development Rebate that would otherwise be paid for the Development, based on a reasonable estimate of the reduction in assessment being sought, pending final disposition of the appeal. If, as a result of the appeal adjudication, the Actual Taxable Assessed Value is reduced below

the amount determined in calculating the Rebate Eligible Assessment, then the reduced Rebate Eligible Assessment shall be the basis for determining the Development Rebate payable under this Agreement.

- 4.11 If at any point after the Development is complete, additional work is proposed on the Property that is not part of the original DSP application, but may serve to further increase the current year Taxable Assessed Value, such additional work shall not be included in the calculation of the Development Rebate in this Agreement, but may be the subject of a further DSP application, conditional upon the continued availability of the DSP and related entitlements and the continued eligibility of the subject Property.

5. FUNDING PAYMENT

- 5.1 Subject to Section 6 of this Agreement, Development Rebate payments to a maximum of ten (10) annual payments will commence the first taxation year in which the Rebate Eligible Assessment can be determined.
- 5.2 Development Rebates will not be applied as tax credits against Property tax accounts.

6. CONDITIONS OF PAYMENT

- 6.1 The Town Council shall determine whether the Applicant has satisfied the participation requirements of this Agreement and the Schedules attached hereto.
- 6.2 Development Rebates will become payable to the Applicant only after eligible Property reassessment by Property Valuation Services Corporation to reflect the Development for which the rebate is applicable.
- 6.3 Rebates may be provided once annually, in the last quarter, provided that:
- a. there are no outstanding taxes, water rates, or other sums owed to the Town against the Property;
 - b. there are no outstanding work orders, requests to comply or other orders from any municipal or provincial entity; and
 - c. all other eligibility criteria and conditions are met.

7. APPLICANT OBLIGATIONS

Compliance with Rebate Application

- 7.1 The Applicant shall undertake the Development in accordance with the DSP.

Compliance with Legislation and Policies

- 7.2 All proposed Development must be in compliance with all federal, provincial and

municipal legislation and policies as applicable, and all improvements are subject to regulatory approvals, permits and zoning requirements as applicable.

Demolition/Conversion

- 7.3 All rebates will cease upon building demolition during the program excepting expansions of an Eligible Use. Rebate amounts payable in the year of demolition will be adjusted *pro rata* to the date of demolition.

Payment of Costs

- 7.4 The Applicant shall bear all costs of Development and all regulatory approvals and permits including, without limitation, those pursuant to all Municipal Planning Strategy Amendments, Land Use By-law amendments, minor variances, site plan approval and building permits in accordance with all applicable legislation; and
- 7.5 The Owner remains responsible for the costs of all Property taxes, water and any other charges that may be levied by the Town relating to the Property as and when they fall due.

Development Permits

- 7.6 Applications for DSP must precede the issuance of the first Building Permit for the Development.

8. ASSIGNMENT

- 8.1 The Applicant covenants to the Town that if the Owner intends to sell, transfer or assign the Property or if for any reason the Property ceases to be registered in the Owner's name prior to the advance of all Development Rebate payments, the Applicant will immediately so notify the Town Clerk in writing.
- 8.2 The payment of Development Rebates shall cease upon the sale, transfer or assignment of the Property, unless, prior to the completion of such sale, transfer or assignment, the Owner and the new Owner enter into an agreement with the Town, in form and content satisfactory to the Town Clerk and the Town Solicitor, in which it is agreed that either:
- a. the new Owner shall have the right to participate in the DSP; or
 - b. the Applicant shall continue to receive the Development Rebates;
- 8.3 Development Rebates may be assigned by the Applicant subject to the express written authorization of the Town and subject to the continuance of the Applicant's obligations and responsibilities and the Town's rights under this Agreement.

9. TOWN RIGHTS

No Representation

9.1 Nothing in this Agreement shall be construed as a representation by the Town regarding compliance of the Property with any applicable legislation, regulations, policies, standards, permits, approvals or By-Laws.

No Claim for Compensation or Reimbursement

9.2 In the event that any of the conditions of this Agreement are not fulfilled and a Development Rebate is not advanced, or required to be repaid, or the Development Rebate payments cease or are delayed, the Applicant agrees that notwithstanding any costs or expenses incurred by the Applicant or Owner, there shall be no claim for compensation, reimbursement or damages of these costs and expenses against the Town and that the Town is not liable to the Applicant or Owner for losses, damages, interest, or claims which the Applicant or Owner may bear as a result of any lapse of time where the Town is exercising its rights herein to either delay a payment pending Applicant or Owner compliance with this Agreement or to terminate this Agreement.

10. DEFAULT AND REMEDIES

10.1 Subject to section 10.3, on the occurrence of a Default under this Agreement, the Town shall be entitled to all available remedies to terminate or enforce this Agreement, including, without limitation:

- a. immediate termination or delay of the release of a Development Rebate otherwise payable to the Applicant; and
- b. requirement of the Applicant or Owner to immediately repay to the Town all or a portion of any Development Rebates with interest at the established Town Rate.

10.2 A default under this Agreement ("Default") shall be deemed to occur upon the failure of the Applicant or Owner to perform any of the obligations pursuant to this Agreement, including, without limitation:

- a. failure by the Applicant or Owner to satisfy the minimum requirements as set out in this Agreement and the By-law;
- b. failure by the Applicant or Owner to pay and keep in good standing all real Property taxes with respect to the Property and all other charges against the Property, including but not limited to development charges, special assessments, local improvement charges, sewer and water and utility rates;
- c. assignment in bankruptcy or receivership of the Applicant or Owner or any default of the Applicant or Owner under any mortgage or other obligation, or if the Property or

the interest of the Applicant or Owner in the Property is taken or sold by any creditors or under any writ of execution or other like process;

- d. failure by the Applicant or Owner to provide current contact information to the Town for a period of time exceeding one (1) year;
- e. any representation or warranty made by the Applicant or Owner in this Agreement or in the DSP is incorrect in any material respect; and
- f. willful defaults by the Applicant or Owner in the payment of moneys to any contractor, supplier or creditor, who has undertaken the Development that is the subject of this Agreement.

10.3 In the event of a Default, the Town shall provide written notice to the Applicant or Owner specifying its nature, after which the Applicant or Owner shall have sixty (60) days to remedy, or such time as otherwise agreed between the parties. Failing remedy of the Default in accordance with this provision, the Town Council shall have the option to exercise the remedies under Subsection 10.1.

10.4 Where the Town requires repayment of rebate amounts pursuant to this Agreement, and the Applicant/Owner fails to repay the same, it shall be deemed a debt owing to the Town in the same manner and with the same effect as rates and taxes under the *Assessment Act*.

11. INDEMNITY

11.1 The Applicant shall indemnify and save the Town and its elected officials, officers, employees and agents from and against all claims, actions, causes of action, interest, demands, costs, charges, damages, expenses and loss made by any person arising directly or indirectly:

- a. in respect of any failure by the Applicant to fulfill its obligations under this Agreement; and
- b. in respect of any loss, damage or injury resulting from any act or omission of the Applicant or any person for whom the Applicant is in law responsible in connection with this Agreement, such indemnity which will survive the termination or expiry of this Agreement.

12. ADDITIONAL PROVISIONS

Term

12.1 This Agreement shall remain in effect from the date of its execution to such time that:

- a. the Applicant terminates in writing its participation in the DSP;

- b. the Applicant Defaults; or
- c. the maximum 10-year period of DSP participation expires.

Time of the Essence

12.2 Time shall be of the essence in this Agreement.

Extension of Time

12.3 Any timelines provided for in this Agreement may be extended in the sole discretion of the Town Council, such extension which shall not be construed as a waiver with respect to any provision of this Agreement.

Registration

12.4 This Agreement shall be recorded on the applicable parcel register(s) at the Nova Scotia Land Registry at the cost of the Applicant.

Schedules

12.5 The following Schedules are attached to and form part of this Agreement:

Schedule "A" Legal Description of the Property

Schedule "B" Development Rebate Calculation Formula and Example

Schedule "C" By-Law

Schedule "D" List of Development Plans

Schedule "E" Development Support Program

Schedule "F" Development Rebate Calculation

Survival of Covenants

12.6 The parties agree to execute and deliver any further documents or assurances or to furnish any further information or perform any other act reasonably necessary to give full effect to the terms contained in the Agreement.

Notice

12.7 Any notice required to be given by either party to the other shall be given in writing and delivered in person or by facsimile transmission to:

a. **Town:**

Town of Stellarton, Attn: Town Clerk
Town Office, 40 Water Street
Pictou, Nova Scotia, B0K 1H0
Fax: 902-485-8110

b. **Applicant:**

c. **Owner** (if not the Applicant):

Notice shall be deemed to have been received on the day of personal delivery or facsimile transmission if such day is a business day and delivery is made prior to 4:00 p.m. and otherwise on the next business day. The parties agree to notify each other immediately, in writing, of any changes of address from those set out above.

Entire Agreement

12.8 This Agreement and the Schedules attached to it constitute the entire Agreement between the parties and except for other provision herein there are no collateral agreements, representations or warranties, express or implied.

Applicable Law

12.9 The law governing this Agreement and any action, matter or proceeding based upon or relating to this agreement shall be the law of the Province of Nova Scotia, including without limitation the MGA, and the Courts of Nova Scotia shall have exclusive jurisdiction over any action or proceeding based upon or relating to this Agreement. Nothing in this Agreement fetters the Town in exercising its statutory jurisdiction under the MGA or any federal or municipal legislation, such legislation which shall prevail in the event of a conflict with this Agreement.

Waiver and Consent

12.10 No consent or waiver, express or implied, by either party or any amendment of this Agreement shall:

- a. be valid unless in writing and stated to be a consent, waiver or amendment pursuant to this Agreement as applicable; or
- b. constitute a general waiver under this Agreement.

Headings

12.11 The division of this Agreement into articles, sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Extended Meanings

12.12 Words expressed in the singular include the plural and *vice versa* and words in one gender include all genders.

Severability

12.13 The parties covenant and agree that the invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision, and any invalid provision will be severable, or will be deemed to be severable.

Further Assurances

12.14 The parties agree that they shall each execute, deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be required or as the other party may reasonably request in order to give full effect to this Agreement.

Force Majeure

12.15 If either party is prevented or delayed from performing any of the obligations on its part to be performed hereunder by reason of an Act of God, strike, labour dispute, lockout, threat of imminent strike, fire, flood, interruption or delay in transportation, war, act of terrorism, insurrection or mob violence, requirement or regulation of government or statute, unavoidable casualties, shortage of labour, equipment or material, plant breakdown or failure of operation, equipment or any disabling cause other than lack of funds, beyond the control of the parties which cannot be overcome by the means normally employed in performance, any such prevention or delay shall not be deemed a breach of this Agreement but performance of any of the said obligations or requirements shall be suspended during such period of disability and the period of all such delays resulting from any such causes shall be excluded in computing the time within which anything required or permitted by either party to be done is to be done hereunder, and all such extensions shall be for the total period of all such delays.

Successors and Assigns

12.16 The terms and provisions of this Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorize representatives on the date first above written.

<hr/> Witness	Town of Stellarton <hr/> Per: Town Clerk I am an authorized signing officer.
<hr/> Witness	Applicant <hr/> Per: I am an authorized signing officer.

Note: The corporate seal of each must be affixed next to the signature above.

SCHEDULE "A"

LEGAL DESCRIPTION OF OWNER'S LAND

SCHEDULE "B"

EXAMPLE OF DEVELOPMENT REBATE CALCULATION

Sample Rebate Calculation												
Year	Base Year Taxable Assessed Value:	2007	150,000	A	Eligible Rebate	Cum. Taxable Amount	Calc. Cum. Rebate - Without 71 C (6) of MGA	Asm't and Rate Fixed (Indicator)	Max. Cum. Rebate	Adj.	Adj. Rebate - Comply with 71 C(6)	
<i>i</i>	PVSC Taxable Assessed Value	Rebate Eligible Assm't	Taxable Amount on Rebate Eligible Assm't	F	G	$\sum_{j=1}^i F_j$	$\sum_{j=1}^i G_j + L_{i-1}$	J	K	L	M	
<i>i</i>	B	C	D	E	F	G	H	I	J	K	L	M
<i>i</i>	B	C	D	A-B	E*D	F*C	$\sum_{j=1}^i F_j$	$\sum_{j=1}^i G_j + L_{i-1}$	J	H*J	K-I	G+L
1	2008 350,000	90%	0.0433	200,000	8,660	7,794	8,660	7,794	90.0%	7,794		7,794
2	2009 350,000	80%	0.0433	200,000	8,660	6,928	17,320	14,722	85.0%	14,722	-	6,928
3	2010 350,000	70%	0.0433	200,000	8,660	6,062	25,980	20,784	80.0%	20,784	-	6,062
4	2011 325,000	60%	0.0433	175,000	7,578	4,547	33,558	25,331	75.0%	25,168	(162)	4,384
5	2012 325,000	50%	0.0433	175,000	7,578	3,789	41,135	28,957	70.0%	28,795	(162)	3,626
6	2013 325,000	50%	0.0433	175,000	7,578	3,789	48,713	32,583	66.7%	32,475	(108)	3,681
7	2014 325,000	40%	0.0433	175,000	7,578	3,031	56,290	35,506	62.9%	35,382	(124)	2,907
8	2015 325,000	30%	0.0433	175,000	7,578	2,273	63,868	37,656	58.8%	37,522	(133)	2,140
9	2016 325,000	20%	0.0433	175,000	7,578	1,516	71,445	39,038	54.4%	38,898	(140)	1,376
10	2017 325,000	10%	0.0433	175,000	7,578	758	79,023	39,656	50.0%	39,511	(144)	613
Total					\$79,023							\$39,511
71 C (6) of the MGA requires the total rebate to be less than or equal to 50% of the increase in taxes, in the absence of a tax rebate program, over the 10-year term.												50.0%

SCHEDULE "C"

COMMERCIAL ASSESSMENT PHASE-IN BY-LAW – TOWN OF STELLARTON

SCHEDULE "D"

LIST OF DEVELOPMENT PLANS & DRAWINGS

SCHEDULE "E"

DEVELOPMENT SUPPORT PROGRAM

SCHEDULE "F"

DEVELOPMENT REBATE CALCULATION

Address:

Property Identification No.:

A. Pre-Development Base Year Taxable Assessed Value:

(1)

Base Year	Base Year Taxable Assessed Value
	\$

B. Post-Development Actual Taxable Assessed Value:

(2)

(3)

Yrs	Rebate Year	Actual Taxable Assessed Value	Current Commercial Municipal Tax Rate
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10.		\$	

C. Development Rebates:

(4)

(5) = (2-1)

(6) = (5 x 3)

(7) = (6 x 4)

(8)

Yrs	Rebate %	Rebate Eligible Assessment	Rebate Eligible Taxes	Rebate Amount \$	Cumulative % Payable
1.	90%	\$	\$	\$	
2.	80%	\$	\$	\$	
3.	70%	\$	\$	\$	
4.	60%	\$	\$	\$	
5.	50%	\$	\$	\$	
6.	50%	\$	\$	\$	
7.	40%	\$	\$	\$	
8.	30%	\$	\$	\$	
9.	20%	\$	\$	\$	
10.	10%	\$	\$	\$	
Totals (9) & (10):			\$	\$	
Re-calculate:			50%	\$	
Total Allowable Rebate:			\$	\$	

Total Allowable Development Rebate over the program period cannot exceed 50%.