



**COMMITTEE OF THE WHOLE**

**CDR# 2023036**

**Date: March 20, 2023**

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**TO:** Mayor Kogon and Members of Council

**SUBMITTED BY:** Andrew Fisher, Director of Planning & Strategic Initiatives

**DATE:** March 20, 2023

**SUBJECT:** *Policy Review: P-9 Commercial Development Support Bylaw*

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**ORIGIN:** Council Strategic Priority: review Council committee representation, town policies and bylaws to ensure they reflect the vision, mission and guiding principles while addressing the town’s strategic priorities.

**LEGISLATIVE AUTHORITY:** Municipal Government Act, section 84 allows council to make decisions in the exercise of its powers and duties by resolution, by policy or by by-law, and section 71C concerning ‘commercial development districts’.

**RECOMMENDATION:** That Council maintain status quo with respect to the Commercial Development Support Bylaw.

**BACKGROUND:** In 2016, the province amended the Municipal Government Act giving municipalities the ability to phase-in a commercial assessment increase over a period of up to 10 years, as the result of an investment in a specific area. In the ten years following the investment, the owner would save up to 50% of tax paid as a result of the increased assessment. The rebate would be applied as follows:

Year	Rebate (as % of the rebate eligible assessment)
1	90
2	80
3	70
4	60
5	50
6	50
7	40
8	30
9	20
10	10

The original intent of this amendment was to empower municipalities to establish ‘Commercial Development District(s)’, which are areas that might be less attractive to investment, such as traditional downtowns or brownfield sites. Each municipality can decide to what areas the Commercial Development District applies so long as the properties are commercially assessed and serviced by municipal water and wastewater infrastructure.





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On September 29, 2017 the Town’s ‘Commercial Development Support Bylaw P-9’ became effective. The Commercial Development Districted applies to all areas of town designated Commercial, Industrial and Comprehensive Development District, which is essentially all properties with a commercial assessment. In order to be eligible, the property must undergo a development, defined as a new building or building expansion or renovation with a minimum project cost of \$25,000. An application for the phase-in must be submitted before a Building Permit is issued.

To date, there are eleven participants in the program, seven of which are in the Industrial Park and include several of the largest operations. The following chart provides the total amount of rebates issued since fiscal 2019/20:

Rebates					
Year	2019/20	2020/21	2021/22	2022/23	2023/24
Total Rebate	\$ 33,759	\$ 30,068	\$ 353,975	\$ 422,001	\$ 412,067

The average estimated construction investment over the last five-year period was \$ 8 million based on the value of Development and Building Permits issued. While this does not translate directly into assessment increases, it does indicate that investment of this scale is likely to continue.

Estimated Construction Value				
2018	2019	2020	2021	2022
12.9 m	2.8 m	9.1 m	5.9 m	6.2 m

Several municipalities in Nova Scotia have adopted the same bylaw that includes all commercial and industrial zoned properties. Others have directed Commercial Development Districts to specific areas including historic downtowns, waterfronts, and industrial parks. Cumberland County have given first reading of the necessary Municipal Planning Strategy amendments to establish this program for all areas of the county with a commercial assessment on municipal services.

**DISCUSSION:** The subject bylaw is one of the few tools that Nova Scotia municipalities have to incentivize commercial and industrial investment. As more jurisdictions adopt similar bylaws, offering the program will also become an issue of competitiveness. While the program was intended to incentivize development in challenged areas (ex. downtowns and brownfields), it is difficult to determine specific properties or areas to be excluded from the program.

Total rebates issued each year are significant and may increase substantially depending on commercial investments; however, it is important to note that the rebates come from increased assessment and does not impact the ‘bottom line’. Moreover, it is difficult to measure the extent to which the program incentivized additional investment that would not have otherwise taken place without the program. Staff do know some investments would have taken place without the





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program, particularly some of the larger players such as Gordon Foods Ltd. whom staff had to pursue to get them to participate. For other participants such as Atlantic Windows, the program helped them decide to make further investments into their Amherst operations. As such, staff feel elimination or significant changes to the program are not warranted at this time.

**FINANCIAL IMPLICATIONS:** The financial implications are detailed above.

**SOCIAL JUSTICE IMPLICATIONS:** None specific to this issue.

**ENVIRONMENTAL IMPLICATIONS:** None specific to this issue.

**COMMUNITY ENGAGEMENT:** The program is promoted to businesses looking to locate or expand.

**ALTERNATIVES:** 1) Direct staff to provide additional information.

**ATTACHMENTS:** Bylaw P-9 Commercial Development Support Bylaw

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Report prepared by: A.Fisher  
Report and Financial approved by:

