

Town of Port Hawkesbury Commercial Development District Support Program By-law

Effective Date:

WHEREAS it is desirable to permit the phasing-in, over a period of up to 10 years, of an increase to the assessed taxable commercial value of certain commercial properties located in the Town of Port Hawkesbury's Commercial Development District and to provide a partial rebate of taxes paid by the Owner during the phasing-in period;

AND WHEREAS the *Municipal Government Act* allows the municipality with the approval of the Minister of Municipal Affairs to pass this By-law;

The Council of the Town of Port Hawkesbury, under the authority of the *Municipal Government Act*, pursuant to Section 71C and subject to approval of the Minister in Section 71D, enacts the following By-law:

Title

1. This By-law is entitled the "Commercial Development District Support Program By-law".

Definitions

2. In this By-law:

- a) "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.
- b) "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 section 11 of this By-law.
- c) "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.
- d) "Commercial Development District" or "CDD" means the area of the Town of Port Hawkesbury established by section 4 of this By-law.
- e) "Development" means investment that, in the opinion of the Town of Port

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Hawkesbury, 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.

- f) "Development Support Program" is a program designed to stimulate building construction and the expansion of the economy of the Town of Port Hawkesbury.
- g) "Eligible Property" means an eligible property as defined in section 71C(1)(d) of the *Municipal Government Act*
- h) "Owner" means the person named on the assessment roll as responsible for the taxes for a property.
- i) "Phased In Assessment Agreement" is an agreement signed by the Town of Port Hawkesbury and the Owner of an of an Eligible Property and is written in substantially the same form as the Agreement set out in Appendix "B" of this By-law.
- j) "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.

Application

- 3. This By-law applies to Eligible Properties located in the CDD.
- 4. The CDD for Town of Port Hawkesbury is depicted in the attached Appendix "A" and is hereby established in accordance with the Town of Port Hawkesbury *Municipal Planning Strategy*.

Development Support Program

- 5. A Development Support 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.
- 6. An owner must express an interest in participating in the Development Support Program, in writing to the Municipality, prior to the issuance of a building permit.

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7. Prior to receiving support through the Development Support Program, an Owner of an Eligible Property must enter into a Phased In Assessment Agreement with the Town of Port Hawkesbury.

Eligibility

8. An Eligible Property must undergo Development before the Owner of the property can participate in the Development Support Program.

9. To be eligible, a development project must have a minimum construction value of \$250,000 as determined by the building permit process.

Phased In Assessment Agreement

10. The eligibility criteria for the Development Support 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.

Rebate Calculation

11. 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 Town of Port Hawkesbury x the Rebate Eligible Assessment

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Rebate Limits

12. The total of Annual Rebates provided to an Owner over the term of participation in the Development Support 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 Support Program formula.

Adjustments

13. 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 Town of Port Hawkesbury.

Duration

14. 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.

15. All support under the Development Support 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.

16. All support under the Development Support Program will cease upon change in ownership of the Eligible Property.

Staged Development

17. 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 Support 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 increases, the Owner of the Eligible Property may apply to further participate in the Development Support Program based on the additional Rebate Eligible Assessment, subject to the

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continued availability of the Development Support Program and the Owner's ability to meet the eligibility requirements and Annual Rebate entitlements in place at that time.

Condominiums

18. 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 Support Program, independent of other condominium units.

Repeal

19. (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 Support Program prior to the date of repeal, will benefit from the Development Support Program, as applicable, in accordance with this By-Law, despite its whole or partial repeal.

(2) In the event of a repeal in (1), for the Owner of an eligible property in the CDD who has been accepted into the Development Support 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 Support Program for that Owner until the ten-year maximum term is completed or the Owner's participation in the Development Support Program is discontinued.

Other Conditions

20. 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.

21. The applicant to the Development Support Program must be the Owner of the Eligible Property that is to be the subject of the Phased In Assessment Agreement.

22. 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 signed.

Payment

23. The Town of Port Hawkesbury will pay Annual Rebates once annually, in the last

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quarter of the year, provided that:

- a) there are no outstanding taxes, water rates, or other sums owed to the Town of Port Hawkesbury with respect to the subject property;
- b) 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
- c) all other eligibility criteria and conditions are met.

24. 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 section 20 at the time the Annual Rebate is due to be paid.

25. Annual Development Rebates will not be applied as tax credits against property tax accounts.

26. In case of an assessment appeal, the Town of Port Hawkesbury reserves the right to withhold Annual Development Rebates pending final disposition of the appeal.

Requirement to Review By-Law

27. This By-law shall be reviewed by the Town of Port Hawkesbury 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	
Date of First Reading	December 19,2023
Date of Advertisement of Notice of Intent to Consider	January 3 & 10, 2024
Date of Second Reading	
Date of Advertisement of Passage of By-Law	
Date of Mailing to Minister a Certified Copy of By-Law	
I certify that this Commercial Development District Support Program By-Law was adopted by Council and published as indicated above.	
_____ Chief Administrative Officer	<u>XXXXXXXXXXXXXXXXXX</u> Date