



TOWN OF SHELBURNE

COMMERCIAL DEVELOPMENT DISTRICT IMPROVEMENT PROGRAM BY-LAW

Introduction

The Town of Shelburne wishes to support the attraction, retention and promotion of institutions, industries and businesses, to encourage tourism and to facilitate the stabilization and expansion of employment opportunities.

The creation of a CDDIP will make properties within the Commercial Development District (CDD) more competitive for existing business owners and more attractive to investors, developers and clientele, acting to assist the Town in achieving its economic development mandate.

The Council of the Town of Shelburne, 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

SHORT TITLE

1. This By-Law shall be known as the "Commercial Development District Improvement Program By-Law." (also known as "CDDIP By-law")

APPLICATION

2. This By-law shall apply to a property which meets the definition of an eligible property as defined in subsection 71C(1) of the *Municipal Government Act*, if that property is located within the **Central Development District (CDD)** as defined in the *Town of Shelburne Municipal Planning Strategy and Land Use By-Law* and as depicted in the attached Appendix "A".

DEVELOPMENT SUPPORT PROGRAM

3. The **Development Support Program** is established to provide assistance to owners of eligible property by providing an annual partial rebate on taxes paid by the owner if the owner has undertaken "development" of their property in the CDD. The rebates are designed to stimulate building construction and the expansion of the economy of the Town.
4. The Development Support Program may provide a participating owner with a partial rebate on taxes paid on an eligible property by utilizing all or a portion of the "Rebate Eligible Assessment",
5. Prior to receiving a development rebate, an owner of an eligible property must enter into a "Phased-In Assessment Agreement" with the Town.

DEVELOPMENT

6. An eligible property must undergo development before the owner of the property can participate in the Development Support Program.

DEFINITIONS

7. "Development" means investment that results in an increase in the productive use of a property or a building on a property within the CBD, and includes, but is not limited to a new construction, expansion or renovation/rehabilitation to increase a property's potential.
8. "Rebate Eligible Assessment" means the amount calculated using the following formula:
Rebate Eligible Assessment = Actual Taxable Assessed Value - Base Year Taxable Assessed Value.
9. "Base Year Taxable Assessed Value" means the Taxable Assessed Value applicable for the taxation year in which a Phased In Assessment Agreement is signed for the eligible property upon which development is to be constructed. The Taxable Assessed Value shall be fixed in this manner for the purposes of determining the "Rebate Eligible Assessment" for the development of the eligible property subject to any adjustment arising from assessment appeals or changes to the Taxable Assessed Value made by the Property Valuation Service Corporation (PVSC) through requests for reconsideration, and shall remain unchanged for the duration of the term of Development Support Program for the eligible property.
10. "Actual Taxable Assessed Value" means the Taxable Assessed Value applicable 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 PVSC through requests for reconsideration.

PHASED-IN ASSESSMENT AGREEMENT

11. (1) As a condition of the Development Support Program, an owner of an eligible property must enter into an agreement with the Town (hereinafter referred to as the "Phased-In Assessment Agreement"). The Phased-In Assessment Agreement signed by the parties will be substantially the same as the form agreement attached as Appendix "B" to this By-Law and forming part of the By-Law.

(2) A Phased- In Assessment Agreement is intended to compliment and provide specifics for the subject property. 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 the By-Law, the provisions of this By-Law shall prevail.

REBATE CALCULATION

12. An annual development rebate amount shall be calculated each year as the following percentage of the equivalent of the Rebate Eligible Assessment:

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

REBATE LIMITS

13. The total of development rebates provided to an owner over the term of participation in 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) per cent of the total increase in taxes that would be payable during the same period in the absence of the application of the program formula.

ADJUSTMENTS

14. 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 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.

DURATION

15. Development rebates will only become payable to the owner after the eligible property is first reassessed by the PVSC to fully reflect the development that the owner is receiving the rebate for.

16. All rebates will cease if during the program term the building is demolished except to expand an eligible use. Rebate amounts 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.

STAGED DEVELOPMENT

17. In the case of a staged development, where one portion of a property is developed in advance of others, each portion of the property will be treated as a separate property. The first 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 property are developed, and which result in further assessment increases, the property owner may apply to further participate in the Development Support Program based on the additional Rebate Eligible Assessment, subject to the continued availability of the Development Support Program and the owners ability to meet the eligibility requirements and 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 development and must be able to meet all eligibility requirements of the Development Support Program, independent of other condominium units.

REPEAL

19. (1) In the event that this By-Law, or any portion thereof, is repealed, any owner who has been accepted to participate in the Development Support Program prior to the date of repeal, will benefit from the 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 owners who are accepted into the 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 those owners until the ten year maximum term is completed or the owners participation in the program is discontinued.

OTHER CONDITIONS

20. An owner's application to the Development Support Program must be made prior to the issuance of the first building permit for the development on the eligible property.

21. All proposed development must conform to all Provincial laws, Town by-laws, policies, and processes and all improvements must be made pursuant to an approved building permit and applicable zoning requirements and development approvals.

22. The applicant must be the owner of the eligible property or have the owner's written authorization to apply for the Development Support Program.

23. The owner of an eligible property 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

24. Rebates may be provided once annually, in the last quarter of the year, provided that:

- a. there are no outstanding taxes, water rates, or other sums owed to the Town with respect to the property;
- b. there are no outstanding work orders or orders or requests to comply from any municipal or provincial entity; and
- c. all other eligibility criteria and conditions are met.

BYLAW

25. Development rebates will not be applied as tax credits against property tax accounts.
26. In case of an assessment appeal, the Town reserves the right to withhold any further development rebates pending final disposition of the appeal.

Amended by the Minister of Municipal Affairs to clarify the program name is the “Development Support Program”

Dated on the 12th day of July, 2017.

ORIGINAL SIGNED

Honourable Derek Mombourquette
Minister of Municipal Affairs

Karen Mattatall, Mayor

Julie Ferguson, Town Clerk

First Reading: April 19, 2017
Advertisement: May 1, 2017
Second Reading: May 17, 2017
Approval of the Minister: July 12, 2017