

BY-LAW NO. 22-01
A BYLAW OF THE MUNICIPALITY OF BLACKS HARBOUR
DEVELOPMENT INCENTIVES

BE IT ENACTED by the Council of the Village of Blacks Harbour under the authority vested in it by the Local Governance Act, R.S.N.B. 2017, c. 18, and amendments thereto, hereby makes and enacts this By-Law as follows:

INTRODUCTION

This By-Law may be cited as the “Development Incentives By-Law.”

CONTENTS

The requirements of this By-Law apply to any municipal incentives provided to developers for developments within the geographical limits of the village of Blacks Harbour.

This By-Law is hereto compromised of the following schedules:

- Schedule “A”: Village of Blacks Harbour Development Incentive Policy;
- Schedule “B”: Development Incentive Application; and,
- Schedule “C”: Development Incentive Agreement Guidelines.

ENACTMENT

IN WITNESS WHERE OF the Village of Blacks Harbour has caused its corporate seal to be affixed to this By-Law, the XX day of XXX, 2022, and signed by,

First Reading:

Second Reading:

Third and Final Reading and Enacted:

SEAL

Mayor –

Clerk -

SCHEDULE "A"

VILLAGE OF BLACKS HARBOUR DEVELOPMENT INCENTIVE POLICY

Section 1 – Administration

The Village of Blacks Harbour Development Incentive Policy (herein referred to as “incentive policy”) consists of two (2) streams with unique criteria and conditions for each stream. Developments may be eligible for only one of the two streams. The streams are:

- Stream A, Rental housing development
- Stream B, Commercial development

The Village of Blacks Harbour (the “Village”) will review applications from developers in the form as attached to **Appendix A**. Applications will only be reviewed where a developer’s project meets the criteria of this incentive policy. Where an applicant is successful in their application to the Village under this incentive policy an agreement between the Village and developer may be entered into under **Appendix B**. Grants will only be made payable to the developer subject to the terms of that agreement. The Village reserves the right to not apply any incentive policy to any particular development if the Village cannot or elects not to enter into a legal agreement with a developer for any reason.

Notwithstanding anything contained in this policy, the Village may offer other incentives such as contributions of land, infrastructure, reduced permit fees, or other grants. Subject to Village Council approval, these other incentives will be accounted as an offset-of against the total value of the financial incentives to which the project would be otherwise entitled.

For the purposes of this policy, ‘development’ shall also be understood as including a renovation or re-purposing of an existing building.

Section 2 – General Criteria

These general criteria are applicable to both of the two (2) grant criteria streams. This means that the incentive policy may only be applied by the Village where the proposed development meets the following general criteria:

- (i) Development is adequately serviced, is an appropriately zoned location at the time of application, and is not located in an area that requires the municipality to provide, at its cost, significant new municipal infrastructure;
- (ii) Development is located in an area that would be contiguous to, or infilling between, existing built-up areas;
- (iii) Development is so located that it protects environmentally sensitive, and avoids physically unsuitable, areas; and,
- (iv) Development has an approved building permit with a reasonable construction cost estimate, no outstanding stop work orders, and no other Village Building By-law violations.

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Section 3 – Stream A Rental Housing Development

These criteria are applicable to the rental housing incentive policy stream (Stream A). This means that the incentive policy may only be applied by the Village where the proposed development meets the following criteria:

- (i) Development of four or more rental housing units with a construction value of over \$750,000.00 – (the minimum construction cost on the building permit application must be \$750,000.00); or,
- (ii) Development of four or more affordable rental housing units with a construction value of over \$500,000.00 – (the minimum construction cost on the building permit application must be \$500,000.00) includes mixed-income buildings that offers a mix of affordable and market rental with at least 30% of the total dwelling units are available for rent at 80% of the median market rent.*
- (iii) Developments in this Stream A must include at least one of the following:
 - (A) Development includes a minimum of six (6) new rental dwelling units,
 - (B) Development includes assisted-living housing, in a walkable location in proximity (> 200 m) to at least two (2) of the following amenities:
 - a grocery or retail store;
 - a public walking trail, public park, or other recreation facility;
 - an institutional use such as a library, medical office, school, or other cultural facility.
 - public amenities such as outdoor seating areas and landscaping

** Average market rent for Blacks Harbour may be determined with a valid data source accepted by the Village of Blacks Harbour.*

Section 4 – Stream B Commercial Development

These criteria are applicable to the commercial development incentive policy stream (Stream B). This means that the incentive policy may only be applied by the Village where the proposed development meets the following criteria:

- (i) Development in the Commercial (C) Zone, with a construction value of over \$300,000.00 – (the minimum construction cost on the building permit application must be \$300,000.00);
- (ii) Developments in this Stream B must include at least one of the following:
 - (A) Development adds a new retail, commercial service, or food service use not already found in the Village in terms of either the scale or the type of the business offering;
 - (B) Development in the Commercial (C) Zone contributes to the enhancement of the streetscape by including at least five (5) of the following design features:
 - a flat roof with a defined cornice;
 - traditional building materials (brick, stone, wood, or cement fiberboard made to look like authentic wooden siding) on the façade of the building;
 - a minimum of 40% transparent window coverage on the ground floor's façade;
 - awnings above the main entrance;
 - a main building entrance in close proximity to the sidewalk (>1.5 m); and,
 - public amenities such as outdoor seating areas and landscaping

Section 5 – Bonus Incentive Points

Bonus incentive points may be awarded on a one (1) point per criteria-met basis. The incentive points for the bonus criteria may be awarded where it can be demonstrated sufficiently to the Village, by the developer, that they are meeting these criteria in their new development.

In addition to the list below, one (1) point may be awarded if the development met both of the ‘either/or requirement’ options from their respective Streams:

STREAM A	STREAM B
Net zero emissions	Net zero emissions
Age-friendly design features	Age-friendly design features
Utilizes renewable energy	incorporation of local heritage theme in design, landscaping or branding
Building designed by architect	Business produces or retails locally-made (<100 km) products
Preserves heritage features	Preserves heritage features
Renovation of existing building	Building designed by architect
Rain water gardens	Business provides recreational or cultural services
Development in infill location	Development in infill location
Other*	Other*

**A maximum of one (1) point may be awarded for a different innovation or public good not listed, subject to approval from the Village of Blacks Harbour.*

Section 6 – Grant Formula

The Village will apply a formula to give grants to developers over ten (10) years for developments eligible under this policy and where an agreement is entered into by both parties (Appendix B). The development incentive grant formula is as follows:

Incentive Formula:

$$V \times (D + P) \times Y = \text{annual payable grant to developer}$$

V	Incremental property value increase (see Chart 3) at one (1) year after completion
D	Base Village of Blacks Harbour economic development incentive rate (0.010%)
P	Bonus incentive points (1 point = 0.001%, to a maximum of 0.005%)
Y	Year of the grant rate (see 'Chart 1' for rates)

See example in 'Chart 2' for a project with a \$1,000,000.00 incremental property value

Chart 1: Year of the Grant Rate		Chart 2: Payable Grant	
Year 1	95%	Year 1	\$ 14,250.00
Year 2	85%	Year 2	\$ 12,750.00
Year 3	75%	Year 3	\$ 11,250.00
Year 4	65%	Year 4	\$ 9,750.00
Year 5	60%	Year 5	\$ 9,000.00
Year 6	55%	Year 6	\$ 8,250.00
Year 7	50%	Year 7	\$ 7,500.00
Year 8	40%	Year 8	\$ 6,000.00
Year 9	40%	Year 9	\$ 6,000.00
Year 10	40%	Year 10	\$ 6,000.00

Example: \$1,000,000 Incremental Property Value Increase with +5 Bonus Points

Chart 3: Incremental Property Value Example (Service New Brunswick's Listed Assessed Value)	
Property X in Year 2025 ('Year 0')	= 220,000 (vacant land)
Property X in Year 2026 ('Year 1')	= 1,220,000 (20-unit apartment building)
Incremental property value appreciation (V) at 1 year	= 1,000,000

SCHEDULE "B"

**VILLAGE OF BLACKS HARBOUR
DEVELOPMENT INCENTIVE APPLICATION**

PROPERTY INFORMATION		
Registered Owner	Owner Telephone	PAN
Street Address	Town/City	Postal Code
Contact Name	Contact Phone	Contact Email
DEVELOPMENT INFORMATION		
Description of Development		
Construction cost of development	Proposed Start Date	Proposed Completion Date
Letter attached indicating how the development meets the Village's incentive policy? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Registered Owner Signature		Date

The following sections are to be completed by the departments/organizations indicated.

PUBLIC WORKS	
Does the development require significant new municipal infrastructure (i.e. excluding standard curb-cuts or stub-into existing services)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Comments	
Name	Role / Position
Public Works Signature	Date

BUILDING INSPECTION (SNBSC)	
Has a building permit with no outstanding stop work orders violations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Applicant has reasonable construction value estimate on permit application?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Comments _____ _____	
Name	Role / Position
_____ _____	
<i>Protective Services Signature</i>	<i>Date</i>

PLANNING (SNBSC)			
Does the applicant's project qualify under Section 2?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Does the applicant's project qualify under Section 3?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Does the applicant's project qualify under Section 4?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Does the applicant's project qualify under Section 5?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Comments _____ _____			
Name	Role / Position		
_____ _____			
<i>Protective Services Signature</i>	<i>Date</i>		

VILLAGE OF BLACKS HARBOUR (CAO)		
Do any other incentives (e.g. land infrastructure) apply?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Estimated \$
Number of incentive bonus points awarded per Section 6?		_____
Comments _____ _____		
_____ _____		
<i>Protective Services Signature</i>	<i>Date</i>	

SCHEDULE "C"

VILLAGE OF BLACKS HARBOUR DEVELOPMENT INCENTIVE AGREEMENT GUIDELINES

A developer who is eligible for grants under the Village of Blacks Harbour Development Incentive Policy is also required to enter into a legal agreement with the Village of Blacks Harbour, as overseen by the Village of Blacks Harbour CAO. A development incentive agreement will need to outline the terms of the grant that are acceptable to both parties, prior to the disbursement of any payment under this program.

Despite an otherwise successful application under the Village of Blacks Harbour Development Incentive Policy, failure to successfully enter into a legal agreement between the Village of Blacks Harbour and the Developer will nullify any grant.

Suggested Terms of a Development Incentive Agreement

1. The successful applicant must allow the Village of Blacks Harbour access to the site upon completion of the project to conduct a final inspection prior to the disbursement of funds.
2. Incentive grants under this program will only begin to be payable one (1) year after 100% completion of the project, including any applicable deficiencies, as determined by the Village of Blacks Harbour.
3. Annual payments will be disbursed in a form of payment determined by the Village of Blacks Harbour.
4. All payments disbursed under this program will be payable to the owner of the property as indicated by the Service New Brunswick property account number (PAN) at the time of the completion date of the project.
5. The disbursement of funds can be transferred to a new legal owner of the project subject to the conditions of the original agreement, and further, the signing of a new agreement with the new project property owner and the Village of Blacks Harbour.
6. In the event of an accumulative decrease of property assessment of ten-percent (10%) or greater, the annual payable grant to the developer shall be re-calculated by the Village of Blacks Harbour using a revised incremental property value increase ('V') for the remaining years left in the incentive agreement ('Y').

7. Where a property assessment is appealed, in the process of an appeal, the payable grant to the developer shall not be paid until Service New Brunswick finalizes a change.

Suggested Audit Procedures for a Development Incentive Agreement

1. Where a development incentive is granted on the basis that a minimum of 30% of the rental dwelling units will be affordable (*) a separate promissory note shall be signed to that effect.
2. Affordable rental dwelling units must remain as outlined in the original application for a minimum of fifteen (15) years after the completion of the project as outlined in the promissory note and shall not be eligible for conversion to other types of units during this time period.
3. The successful developer for this program must allow the Village of Blacks Harbour to perform any other audit related to conditions of approval or related to affordability criteria.
4. Prior to providing the Year 1 grant payment to a Developer, the Village of Blacks Harbour must have evidence of a successful final building inspection conducted by the Village of Blacks Harbour's building inspector.

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