



**BY-LAW NO. 87
A BYLAW OF THE MUNICIPALITY OF ST. GEORGE
DEVELOPMENT INCENTIVES**

BE IT ENACTED by the Council of the Town of St. George 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 Town of St. George.

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

- Schedule “A”: Town of St. George Development Incentive Policy;
- Schedule “B”: Development Incentive Application; and,
- Schedule “C”: Development Incentive Agreement Guidelines.

ENACTMENT

IN WITNESS WHERE OF the Town of St. George has caused its corporate seal to be affixed to this By-Law, the 14 day of February, 2022, and signed by,

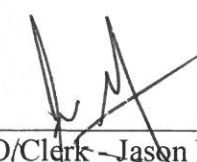
First Reading: 10 January 2022

Second Reading: 10 January 2022

Third and Final Reading and Enacted: 14 February 2022



Mayor – John Detorakis



CAO/Clerk – Jason N. Gaudet

SEAL

SCHEDULE “A”

**TOWN OF ST. GEORGE
DEVELOPMENT INCENTIVE POLICY**

Section 1 – Administration

The Town of St. George 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 Town of St. George will review applications from developers in the form attached to **Schedule B**. Applications will only be reviewed where the Town, in its sole discretion, is of the opinion that the developer’s project meets the criteria of this incentive policy based on the information provided in the required letter, indicating how the incentive policy requirements are met. Where an applicant is successful in their application to the Town of St. George under this incentive policy an agreement between the Town and developer may be entered into under **Schedule C**. Grants will only be made payable to the developer subject to the terms of that agreement. The Town of St. George reserves the right to not apply any incentive policy to any particular development if the Town cannot or, in its sole discretion, elects not to enter into a legal agreement with a developer for any reason.

Notwithstanding anything contained in this policy, the Town of St. George Council may offer other incentives such as contributions of land, infrastructure, reduced permit fees, or other grants. Subject to 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 Town where the proposed development meets the following general criteria:

- (i) Development is adequately serviced, is located in 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 located so that it protects environmentally sensitive area(s) and avoids physically unsuitable area(s); and,
- (iv) Development has an approved building permit with a reasonable construction cost estimate, no outstanding stop work orders, and no other Building By-law violations.

Section 3 – Stream A Rental Housing Development

These criteria are applicable to the rental housing incentive policy stream. This means that the Rental Housing Development incentive policy may only be applied by the Town where the proposed development meets the following criteria:

- (i) Development of four or more rental housing units with a construction value on the building permit application of not less than \$750,000.00; OR,
- (ii) Development of four or more affordable rental housing units with a construction value on the building permit application must be \$500,000.00 and includes mixed-income buildings that offers a mix of affordable and market rental units with at least 30% of the total dwelling units to be affordable units. For clarity, affordable units are units which are available for rent at 80% of the median market rent.*
- (iii) In addition to the above, developments in Stream A must include at least one of the following:
 - (A) Development is a part of a mixed-use development in the C-1 (Downtown Commercial) zone in which case the; Development needs to include a minimum of six (6) new rental dwelling units, or,
 - (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 amenities such as a library, medical office, school, or other cultural facility.
 - public amenities such as outdoor seating areas with landscaping

** Average market rent for St. George may be determined with a valid data source accepted by the Town of St. George.*

Section 4 – Stream B Commercial Development

These criteria are applicable to the commercial development incentive policy stream. This means that the Commercial Development incentive policy may only be applied by the Town where the proposed development meets the following criteria:

- (i) Development in the Downtown (C1) Zone along Main Street or Portage Street, or the General Commercial (C3) Zone on Brunswick Street, with construction cost on the building permit application of not less than \$300,000.00; OR,
- (ii) Development in any other commercial zone with a construction cost on the building permit application of not less than \$1,000,000.00;
- (iii) In addition to the above, developments in 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 Town of St. George in terms of either the scale or the type of the business offering; or,
 - (B) Development in the Downtown Commercial (C1) 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 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 m); and,
 - public amenities such as outdoor seating areas with 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 Town of St. George, 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**

** Features such as no-step entrances, handles/knobs are lever handles or hands-free, no slip flooring, larger doors, front door which bench, accessibility for all, etc.*

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

Section 6 – Grant Formula

The Town of St. George will apply a formula to give grants to Developer(s), which grant will be paid out to the Developer(s) over a ten (10) year period commencing one (1) year after completion of the development. Such grant will be paid only to developments eligible under this policy and where an agreement is entered into by both parties (Schedule C). 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 Town of St. George 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	
Year 1	95%
Year 2	85%
Year 3	75%
Year 4	65%
Year 5	60%
Year 6	55%
Year 7	50%
Year 8	40%
Year 9	40%
Year 10	40%

Chart 2: Payable Grant	
Year 1	\$ 14,250.00
Year 2	\$ 12,750.00
Year 3	\$ 11,250.00
Year 4	\$ 9,750.00
Year 5	\$ 9,000.00
Year 6	\$ 8,250.00
Year 7	\$ 7,500.00
Year 8	\$ 6,000.00
Year 9	\$ 6,000.00
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"

**TOWN OF ST. GEORGE
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		
<hr/> <hr/>		
Construction cost of development	Proposed Start Date	Proposed Completion Date
Letter attached indicating how the development meets the Town's incentive policy? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<hr/>		
<i>Registered Owner Signature</i>		<i>Date</i>

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	
<hr/> <hr/>	
Name	Role / Position
<hr/>	
<i>Public Works Signature</i>	
<i>Date</i>	

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 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>			

TOWN OF ST. GEORGE (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"

TOWN OF ST. GEORGE DEVELOPMENT INCENTIVE AGREEMENT GUIDELINES

A developer who is eligible for grants under the Town of St. George Development Incentive Policy is also required to enter into a legal agreement with the Town of St. George, as overseen by the Town of St. George 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 Town of St. George Development Incentive Policy, failure to successfully enter into a legal agreement between the Town and the Developer will nullify any grant.

Suggested Terms of a Development Incentive Agreement

1. The successful applicant must allow the Town of St. George 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 Town of St. George.
3. Annual payments will be disbursed in a form of payment determined by the Town of St. George.
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) as 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 Town of St. George.
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 Town 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 in the assessment value.

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, or development agreement, shall be signed to that effect, between the Town of St. George and the Developer(s).
2. Affordable rental dwelling units must remain as outlined in the original application for a minimum of ten (10) 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 Town of St. George 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 Town must have evidence of a successful final building inspection conducted by the Town's building inspector.