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March 26, 2018

The Honourable Derek Mombourquette
Minister
Department of Municipal Affairs
P. O. Box 216
Halifax, NS
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Dear Minister Mombourquette:

As you know, the UNSM membership is comprised of 50 quite diverse municipalities, all in different situations, with different opportunities and challenges. UNSM is committed to helping all municipalities be effective by facilitating strategic advocacy, education and collaboration.

The UNSM Board, based on extensive feedback during the Fiscal Review work, believes municipalities in Nova Scotia want to have more autonomy in their decision-making, more tools and flexibility in responding to community needs, recognizing one solution does not fit all. UNSM is encouraging municipalities to work together to the betterment of their areas. They are best able to determine the appropriate strategies necessary for their communities, and to ensuring all share in the benefits and costs.

The proposed amendment to Chapter 18 of the *Municipal Government Act* respecting Cape Breton Regional Municipality tabled in the Legislature March 8, 2018, has drawn much attention. UNSM has been asked for its views on this amendment.

As the UNSM Board understands it, the amendment proposed would give CBRM two tools, subject to conditions. One tool provides the ability to sell or lease an eligible municipal property at less than market value. Eligible municipal properties will be determined through provincial regulation, and this regulation has not yet been provided. The second tool permits CBRM to enter into a tax agreement with the owner of an eligible industrial property. Again, eligible properties will be determined by provincial regulation. In both cases, public hearings must be held. The processes leading to an application of these tools will be transparent. The province must approve the application of these tools.

The UNSM Board has heard the concerns from a few of our members and businesses. The concern expressed is that this will provide CBRM with an unfair advantage. If the tool is allowed, it should be provided to all municipalities. This would force municipalities to compete: investors could play off municipalities for the best deal, and everyone loses. Concern has also been expressed around the lack of consultation on this proposal.

I have spoken to the Minister, and our Board received a presentation from the province on the matter. Based on these discussions, the Board sees the amendment as pertaining only to CBRM, who still has to convince their community should they choose to use the tool. The province will determine whether the application is in the best interest of the province. The Board is comfortable with the conditions placed on the application of these tools, and believes the checks and balances are sufficient. This amendment does not give CBRM the right to offer any incentive to any business or household.



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Each application would be judged on its own merits, and follow the same process for approvals. UNSM would like to ensure this tool be applied to significant industrial properties.

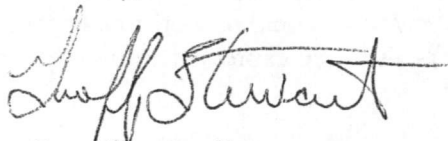
The Board also recognizes that CBRM is a regional municipality and we respect their right to undertake full analysis on the needs of their community and to submit a request to the province to support their goals. The Board cannot ignore the fact that Halifax has similar opportunities, and that the province has provided different forms of assistance for industrial properties, in other regions of the province. The Board has received assurances the province would entertain similar, well thought out and researched requests submitted by any group of municipalities who wish to work together on a common opportunity. UNSM would similarly support those regional requests.

The Board is aware there is competition already in our current municipal system, and many argue the field is not level now. For this reason, UNSM is working closely with the province and the Association of Municipal Administrators to explore new ways of supporting local government. The status quo is not working for many in the province, we need to be responsive and innovative. We also need to help our municipalities compete. We need a broad discussion with our municipalities, our business community and other stakeholders on how best to support economic development.

With respect to consultation, UNSM always encourages the province to consult prior to the introduction of any new legislative or regulatory changes. In January, UNSM and the Department jointly signed a Guideline for Consultation. The Guideline indicates consultation will increase as the number of affected municipalities and the degree to which they are impacted increases. In this case, the amendment relates only to CBRM under very controlled conditions.

In summary, the UNSM Board is supportive of the right of CBRM to request special tools for their unique situation, and is comfortable with the checks and balances in place to ensure the tool is appropriately applied. UNSM is very cognizant of the need to ensure this does not result in a race to the bottom and should this become apparent, UNSM will consult with all our members for an appropriate response.

Sincerely,



Councillor Geoff Stewart
President, UNSM

GS/tv

cc: Law Amendments Committee
UNSM Membership

