

# Successful Municipal Practices: Responding to New Challenges



## *Tools for Change*

### **BETTER MUNICIPAL BUSINESS PRACTICES: Residential and Commercial Incentives for Community Sustainability The Town of Rossburn**

Faced with approximately 25 homes for sale on the real estate market, and a resulting decline in the assessment base, the council of the Town of Rossburn agreed something had to be done to attract new homeowners and businesses to the area. Council, in partnership with the Rossburn Chamber of Commerce, developed a pro-active strategy that has worked to bring more people and new businesses to the Town. This community-made approach to economic development has given Rossburn a chance to succeed and will help to maintain a healthy and vibrant community for years to come.

In January 2003, the Town of Rossburn and the Rossburn Chamber of Commerce jointly developed a series of incentives for residential and commercial properties. Some of the incentives included:

- Any Town-owned lot could be purchased for \$1.00, with any new home or business construction to be started within 2 years of the date of purchase;
- an annual credit of \$400.00 towards water billing charges for a maximum of 2 years;
- waiver of the quarterly garbage collection fee for 2 years; and
- passes to various community recreation activities such as family skating, curling and golfing.

Legislative amendments to *The Municipal Act* in 2004 provided municipalities with enhanced flexibility to establish financial assistance programs, including the ability to provide tax credits. This enabled Rossburn to offer further financial incentives to individuals and businesses, including:

- For any individual purchasing or constructing a home, a grant equivalent to the property tax bill to a maximum of \$1,500 per year for 2 years; and
- For any individual establishing or purchasing a business, a grant equivalent to the property tax bill to a maximum of \$2,500 per year for 2 years.

*This unique approach to economic development is community-driven and has allowed the Council of Rossburn to take control of its own future by using financial tools available to them.*

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Although there is some cost associated with providing the above incentives, both the council and the Chamber of Commerce agree that the program has been very worthwhile. During the first year (2003), 10 single family houses were purchased and additional children were enrolled in the local school. In 2004, another 10 new residents took advantage of the program, some coming from as far as Ontario. Most recently, the Town and Chamber finalized an agreement with a young family to open an automotive garage, which had been closed to business for the past 5 years.

In reviewing the incentives, both the council and chamber concluded that the program has given Rossburn a chance to succeed in maintaining a stable and viable community. There are more residents moving into Town than out since the program began, and the number of homes for sale has decreased dramatically. Although the program was designed originally for newcomers to Rossburn, the Town has even agreed to offer the incentive program to those renting property in the community so that they may purchase a home. This has led to even more home purchases in the community. Overall, the program has helped to increase the assessment base and secure growth in the Town of Rossburn.

More importantly, this unique approach to economic development is community-driven and has allowed council to take control of its own future by using financial tools available to them. Not only is Rossburn growing, but the Town pride is growing as well – Rossburn has successfully recruited new volunteers for its various organizations as citizens are excited by the Town's prosperity and want to lend a hand. These incentive programs are a great example of how innovative approaches can benefit one municipality and bring renewed growth and enthusiasm to the community.

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