



SAINT JOHN

Title: Development Incentives Policy

Subject: Development Incentives Policy	Category: Growth and Community Services
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Area(s) this policy applies to: Planning, Housing, Grants and Incentives	Office Responsible for review of this Policy: Community Planning and Housing, Growth and Community Services
Related Instruments: GDS-010 Affordable Housing Grant Program Policy GDS-015 Affordable Housing Soft Cost Grant Policy GC-001 Acquisition and Disposition of Municipal Lands	Policy Sponsor: Commissioner of Growth and Community Services
	Document Pages:


Policy approved by Common Council: Date

Revision History:

City Clerk's Annotation for Official Record

Date of Passage of Current document: December 15, 2025

I certify that this Policy was adopted by Common Council resolution as indicated immediately above.



City Clerk

December 18, 2025

Date

For information Contact:

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1. POLICY STATEMENT

- 1.1 The Development Incentives Policy, “the Policy,” establishes performance based financial incentives to support development and revitalization of key areas of the City.
- 1.2 The purpose of the Policy is to establish eligibility criteria, application intake, review, approval, disbursement, and reporting requirements. The Policy ensures that the process is open, transparent and accountable to the public, while also allowing for incentives to change at set intervals according to market trends and with the City’s changing needs and strategic objectives.
- 1.3 The Policy also outlines the standards and guidelines that govern the management, accounting, and monitoring of the Building Incentive Reserve, within the City’s Growth Reserve.

2. SCOPE

- 2.1 The Policy provides a framework to guide the following development incentives:
 - **Large-Scale Development Incentive Program**

3. LEGISLATION AND STANDARDS

- 3.1 This policy aligns with and conforms to the following legislative and policy instruments:
 - Local Governance Act
 - Community Planning Act
 - City of Saint John Municipal Development Plan
 - City of Saint John Affordable Housing Action Plan
 - City of Saint John FAS-003 Operating and Capital Reserves Policy
 - City of Saint John FAS-004 Operating Budget Policy
 - City of Saint John FAS-020 Long-Term Financial Plan Policy

4. DEFINITIONS

Active Retail/Commercial Ground Floor Use: means a non-residential use located on the ground floor of a building that is physically designed and constructed to accommodate active, publicly accessible uses that contribute to street-level animation and pedestrian activity. Eligible spaces may include: direct at-grade access from a public street or publicly open space, a high level of ground floor transparency (e.g. minimum 60% glazing along the public frontage), and finished ceiling heights and servicing capacity suitable for retail, food service, medical offices, or other active commercial uses. Office, storage, or other non-active commercial configurations are not considered eligible. No more than 900 square metres of active retail/commercial ground floor space per development project will be considered.

Affordable Housing Unit: There are several ways affordable housing is defined by The Canada Mortgage and Housing Corporation (CMHC) according to the available program and target population.

For the purposes of the Large-Scale Development Incentive Program, an affordable unit means a unit that complies with a CMHC or provincial program for a minimum 10-year period tied to new construction of affordable housing units, and for which scores a minimum of 10 points in Schedule C, under Housing Affordability.

Applicant: An individual, organization or business that submits a completed grant Application for consideration, in accordance with the eligibility criteria and requirements set out in this policy and any associated program guidelines.

Application: A formal request made by an eligible Applicant, including all required documentation, and supporting materials specified in the policy.

Building Permit: As defined in By-law BC-1 - A By-law Respecting the Construction, Repair and Demolition of Buildings and Structures in The City of Saint John.

Building Permit Estimate: The total building permit estimate as defined in By-law BC-1, including multiple phased permits.

Construction Start Date: The date on which physical site work commences for a project, as defined by the pouring of footings and foundation walls.

Development Incentive Review Committee: An internal municipal committee composed of representatives from planning and housing, finance, real estate, and other relevant departments, responsible for reviewing, evaluating, and making recommendations on development incentive applications in accordance with this policy.

Financial Viability: The demonstration of sufficient resources and management to sustain the project plan and meet obligations without undue reliance on additional external supports.

Grant Agreement: A legal agreement entered between the applicant and the municipality that outlines the terms, conditions, obligations, and timelines under which a development incentive grant will be administered.

Grant Payment Start Date: The date on which the first disbursement of the grant is issued to the applicant, contingent upon compliance with the conditions outlined in the Grant Agreement.

Incremental Tax Increase: The difference between the local tax collected in the year of application, prior to any development occurring, and the first year of operation, after the re-assessment of the subject property.

Non-Residential: All other property except residentially assessed property. This includes commercial, industrial, institutional, and mixed-use spaces where the residential component does not represent the primary use.

Penthouse: A residential unit above the highest full storey of a building and set back from the primary building façade. A penthouse typically is differentiated from the main floors through architectural design, private outdoor terrace space, and/or a larger floor area intended for luxury.

Three-Bedroom Unit: A residential unit containing three bedrooms, but which excludes a penthouse.

Total Building Cost: The full cost to construct the building from start of construction to occupancy, including all hard costs (materials, labour, building systems, structured parking) and all soft costs (design and engineering fees, contingency, financing costs, developer fees, and construction management). It does not include land acquisition costs or HST.

Total Grant: The total grant per the executed Grant Agreement the Applicant has been deemed eligible to receive, which includes the base grant rate and any top ups per Schedule B.

5. INCENTIVE PROGRAMS

5.1 Large-Scale Development Incentive Program

Purpose

- The purpose of the Large-Scale Incentive is to attract high-density residential development to key infill sites within and adjacent to the City's urban core and inner harbour waterfront areas that align with the Municipal Plan's vision.
- The Large-Scale Incentive Program was premised on a Development Incentive Review, which undertook financial analysis of several development prototypes in terms of their financial viability. This review is to be updated regularly, and Program offerings are anticipated to evolve according to changing need and market conditions.
- The Large-Scale Incentive Program proposes a clear, predictable, and competitive incentive while also balancing fiscal sustainability and protection of City interests. The value of the Large-Scale Incentive should not exceed new revenue generated because of the development, with tax revenue being retained to contribute toward necessary servicing and infrastructure costs. A benchmark of at least 50% of tax revenue has been chosen to be retained for needed services, infrastructure, and other amenities.

5.1.1 Eligibility Requirements

5.1.1.1 The proposed development must be located within Schedule A – Eligibility Area.

- 5.1.1.2 The proposed development must have a minimum Total Building Cost of \$40,000,000.
- 5.1.1.3 The proposed development must contain at least 150 residential units and achieve a minimum density of 400 units per net hectare.
- 5.1.1.4 The proposed development must comply with all City By-Laws, including the Municipal Development Plan and Zoning By-law at the time of Application.
- 5.1.1.5 The Construction Start Date must not occur prior to an Application being received and accepted by the City, except where Common Council has approved otherwise.
- 5.1.1.6 The proposed development must be located on a property owned by the Applicant or be under written agreement, provided to the City and satisfactory to the City, with the owner for acquisition by the Applicant.
- 5.1.1.7 The Application must include:
 - a. A completed application form signed by an authorized signing officer.
 - b. Proof of planning approval (e.g. zoning approval).
 - c. A project description and schedule.
 - d. Design level drawings e.g. Class C (schematic, massing, floor plans, elevation).
 - e. Simplified pro forma including:
 - i. Total development cost,
 - ii. Operating assumptions,
 - iii. Rent assumptions.
 - f. Evidence of other funding or incentives if applicable (CMHC, Province).
 - g. Any other relevant documentation reasonably requested by the City necessary to evaluate and score the application.
- 5.1.1.8 All Applications will be reviewed by the Development Incentive Review Committee in accordance with this Policy and scored according to the Application Evaluation (Schedule C).
- 5.1.1.9 The Development Incentive Review Committee will deem whether an Application is complete.
- 5.1.1.10 All proposed developments must obtain a minimum score of 60 points to be considered eligible.

5.1.2 Grant Agreement Process

- 5.1.2.1 The Development Incentive Review Committee's review and recommendation will be forwarded to the City's Chief Financial Officer, Planning Director / Commissioner of Growth and Community Services, and Chief Administrative Officer for review in the form of a memorandum to the Application, stating the total funding request and status of the Building Incentive Reserve.
- 5.1.2.2 All Applications will be required to enter into a Grant Agreement with the City stipulating a grant payment schedule, compliance requirements, and all conditions.
- 5.1.2.3 Ownership and Partnership Disclosure

Prior to execution of the Grant Agreement, the applicant must provide documentation confirming the project's ownership and partnership structure, including:

- a) Identification of the legal entity that will own and/or develop the project, including the full legal name, jurisdiction of incorporation (if applicable), and registry number.
- b) Identification of all partners, shareholders, members, or beneficial owners with a controlling interest in the project (typically 20% or greater), including the percentage of ownership held by each.
- c) Identification of the entity authorized to act as the project's agent, including signing authority for legal agreements with the City.
- d) Disclosure of any joint venture agreements, limited partnership agreements, or development management agreements relevant to project delivery.
- e) Disclosure of any changes to the ownership structure that occur after submission of the application and up to the execution of the Grant Agreement, with the requirement that material changes must be reported to the City within 30 days.

5.1.2.4 Before entering into the Grant Agreement, the Total Grant will be calculated in accordance with Schedule B, with the Total Grant divided evenly over a 10-year period.

5.1.2.5 Applicants may be eligible to receive the Building Permit Fee Grant. The Building Permit Fee Grant provides 100% reimbursement of permit fees upon completion of the project toward one of the following eligible uses:

- a) Community benefit(s) negotiated at the time of rezoning or subsequent to, including public parks or open space improvement, pedestrian or transit infrastructure, community facilities, public art, or environmental enhancements.
- b) Affordable housing provided the Applicant scores a minimum 20 points in Schedule C, Housing Affordability.
- c) Site challenges or accessibility considerations as identified in Schedule C which are extraordinary to those identified in Schedule E - Pro Forma Input Assumptions.

5.1.2.6 Prior to disbursement, applicants must provide proof of incurrence of such costs related to eligible Building Permit Fee Grant uses to the satisfaction of the City.

5.1.2.7 The Building Permit Fee Grant is disbursed upon completion of the project in accordance with the approved building permit.

5.1.2.8 No Grant Agreement will be entered into with an Applicant unless:

- a) The Applicant has the legal capacity and authority to undertake the proposed development and accept the grant.
- b) The Applicant is not bankrupt, insolvent, or under creditor protection.
- c) There are no pending or ongoing legal proceedings that could affect the proposed development.

5.1.2.9 All Grant Agreements must be approved by Common Council.

5.1.2.10 Within 12 months of Common Council approval, the applicant must provide documentation demonstrating that the project is financially viable and able to proceed, including:

- a) Confirmed lender term sheet or equivalent financing commitment letter signed by a recognized financial institution or CMHC-approved lender; and, if not already included,
- b) Evidence that the project's Total Building Cost meets the minimum eligibility threshold using one of the following:
 - i. Third-party cost consultant estimate;
 - ii. Contractor estimate or Guaranteed Maximum Price (GMP) contract; or
 - iii. CMHC underwriting documentation.

Failure to submit these items results in expiry of the conditional approval.

5.1.2.11 Any development that has received financial assistance under GDS 007 Urban Development Incentives Policy Program shall have the value of such assistance deducted from the final grant amount awarded under this policy, to prevent duplication of grant benefits.

5.1.3 Disbursement Requirements

5.1.3.1 The Construction Start Date for the proposed development must occur within two years of the execution of the Grant Agreement, otherwise the Application will expire and be null and void.

5.1.3.2 The development must be completed and the Building Permit fulfilled within six years of the executed Grant Agreement, otherwise the Application will expire and be null and void.

5.1.3.3 The first disbursement will commence August 1st, one year following project completion, with any future disbursements occurring on the anniversary date.

5.1.3.4 In any given year, excluding the year in which the Building Permit Grant is paid, the Total Grant shall not exceed 50% of the Incremental Tax Increase generated by the development. Where such cases occur, the City reserves the right to amend the agreement and reduce the grant payment accordingly.

5.1.3.5 Prior to the first disbursement, the Applicant must provide written confirmation and/or applicable documentation to the satisfaction of the City that:

- a) There have been no material changes to plans submitted in the Application that would affect the Minimum Eligibility Requirements set out in Section 5.1.1, or calculation of the Total Grant per 5.1.2.5. If any changes have occurred, the City reserves the right to cancel or amend the Grant Agreement accordingly.
- b) The development was completed in compliance with all City By-laws and terms and conditions of the Building Permit, with the Applicant being in receipt of an Occupancy Permit or a Certificate of Successful Completion pursuant to By-law BC-1.
- c) All applicable building and development fees have been fully paid by the Applicant.

5.1.3.6 Prior to any disbursement, the Applicant must provide written confirmation and/or applicable documentation to the City that:

- a) All water and sewer charges have been fully paid.
- b) All property taxes have been paid. For the purposes of verifying 5.1.3.4, the Applicant must provide current year Notice of Assessment for the property and proof of payment in the form of a receipt or tax certificate.
- c) The proposed development is in good standing with all the terms and conditions set out by other funders of the project.
- d) The Applicant is not bankrupt, insolvent, or under creditor protection.
- e) There are no pending or ongoing legal proceedings.
- f) The Applicant is confirmed to be the current owner of the property as determined by Certificates of Registered Ownership (CRO).
- g) Rent rolls confirming the maintenance of any affordable housing units.
- h) Any applicable community benefit(s) have been provided in accordance with Section 5.1.3.5.

5.1.3.7 Should a community Benefit(s) not be provided within two years of the completion of the project, per the Grant Agreement or another agreement between the City and Applicant, the City reserves the right to amend the Agreement and reduce future payments to recoup a portion or all of the Building Permit Fee Grant.

5.1.3.8 Should any Affordable Housing Unit not be maintained over the 10-year grant period, the City reserves the right to amend the Agreement and reduce future payments to recoup a portion of the Total Grant, including the Building Permit Fee Grant or any applicable top up grants.

5.1.3.9 Disbursement of grant funds will be made based on availability of sufficient resources in the Building Incentives Reserve Fund, as provided in the City's annual operating budget and/or replenished per the mechanism set out in the Policy.

6. MONITOR AND REVIEW

6.1 Large-Scale Development Incentive Program

The Large-Scale Development Incentive Program will be reviewed at regular three-year intervals and adjusted in accordance with changes in construction cost indices and inflation. Market conditions will also be monitored by further financial feasibility analysis to ensure the incentive funding remains relevant to changing market trends, meets the goals of this policy, and continues to align with City plans and by-laws.

7. ROLES AND RESPONSIBILITIES

7.1 Common Council is responsible for approving all Incentive Programs.

7.2 Common Council is responsible for approval of all Large-Scale Incentive Program Applications.

7.2 Growth Committee is responsible for receiving annual updates on incentive programs and reviewing and making recommendations on any new programs.

7.3 The Development Incentive Review Committee is responsible for evaluating all Large-Scale Incentive Program applications in accordance with respective policy and scoring all applications.

8. BUILDING INCENTIVE RESERVE

- 8.1 The Building Incentive Reserve is situated within the Growth Reserve. The purpose of the Building Incentive Reserve is to ensure sufficient resources to fund future incentive commitments anticipated to exceed current annual operating budget.
- 8.2 No more than 30% of the annual operating budget for development incentives shall be funded through the Building Incentive Reserve.
- 8.3 The Building Incentive Reserve will maintain a rolling 10-year liability forecast and contain enough funds to cover at least two years in average liabilities forecasted.
- 8.4 New revenue generated by incentivized projects under the Large-Scale Incentive Program will be monitored over the full 10-year period, with at least 60% of new revenue added to the appropriate incentive operating budget or incentive reserve through the budgetary approval process.

9. APPLICATION REQUIREMENTS

- 9.1 Applications shall be made by completing the appropriate program application form.
- 9.2 Legal names of the property owner(s) are required, including any directors of a corporation. Appropriate authorization of the application is required according to the ownership structure.
- 9.3 All costs associated with the preparation of the application are the responsibility of the applicant. The City will not pay any costs incurred by the applicant in the preparation and submission of an application under this policy, or any costs incurred in relation to the execution and delivery of a Grant Agreement.

10. APPENDIX

10.1 Large-Scale Development Incentive Program

Schedule A – Eligibility Area

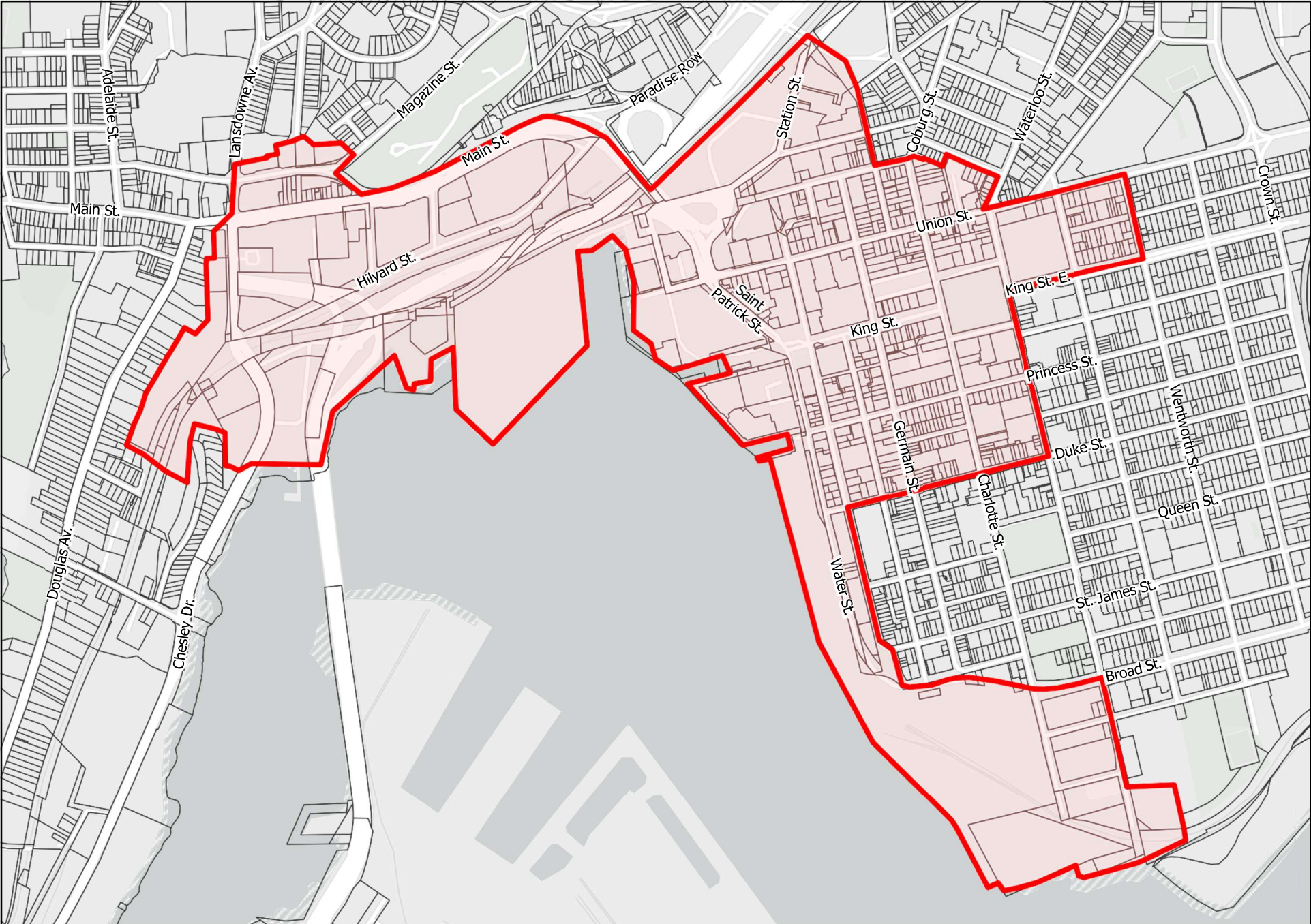
Schedule B – Grant Rates

Schedule C – Application Evaluation

Schedule D – Application Form

Schedule E – Pro Forma Input Assumptions

Schedule A - Eligibility Area



Schedule C Application Evaluation

Schedule C Application Evaluation						
Property	Uses	Design	Heritage	Accessibility		
Majority of development located on a previously vacant lot or surface parking lot.	Majority of development involved the demolition of a non-residential use.	Development includes an active retail/commercial ground floor use.	Exceeds Urban Design and Public Realm Guidelines of the Municipal/Secondary Plan.	Design positively impacts the city scape and existing heritage assets.	Scores 20 pts per CMHC MLI Select Standard as demonstrated by the applicant.	Scores 30 pts per CMHC MLI Select Standard as demonstrated by the applicant
30	20	15	15	10	5	15
Housing Affordability						
≥ 20% of units below 30% median total income all families for at least 10 years.	Minimum 10% of units at max. 30% median renter income for at least 10 years.	11-24% of units at max. 30% median renter income for at least 10 years.	25% of units at max. 30% median renter income for at least 10 years.	<10% of units below 80% of the Median Market Rent for at least 20 years.	10-15% of units below 80% of the Median Market Rent for at least 20 years.	15% or more of units are below 80% of the Median Market Rent for at least 20 years.
5	5	10	15	20	25	30
Site Challenges			Energy Efficiency			
Development will enhance climate change adaptation (e.g. raised base elevation).	Development will undertake necessary remediation (soil, hazardous materials abatement).	Development proposes unique solutions to construction access constraints.	Achieving NECB 2020	Achieving NECB 2020 + 25%	Achieving NECB 2020 + 50%	Achieving NECB 2020 + 60%
20	10	10	0	6	12	15
Parking						
40-50% of required parking provided as structured parking.	50-60% of required parking provided as structured parking.	60-70% of required parking provided as structured parking.	70-80% of required parking provided as structured parking.	80-90% of required parking provided as structured parking.	90-100% of required parking provided as structured parking.	Additional bicycle parking or other TDM Strategy.
10	20	25	30	35	40	15

L A R G E - S C A L E D E V E L O P M E N T I N C E N T I V E P R O G R A M

SCHEDULE D - APPLICATION FORM
CITY OF SAINT JOHN

1.0 APPLICANT INFORMATION

Applicant Name: _____

Email Address: _____

Phone: _____

Mailing Address: _____

Postal Code: _____

Preferred Method of Contact: Email Phone

Are you the legal owner of the property? Yes No – Please indicate the legal owner’s contact information below

Owner: _____

Mailing Address: _____

Postal Code: _____

2.0 TO BE COMPLETED BY PROPERTY OWNER

Are you currently in good standing with the City of Saint John, meaning you have no unpaid taxes, water/sewage fees, or outstanding property-related by-law violations? Yes No

Owner’s printed name

Owner’s signature

DD/MM/YYYY

3.0 PROJECT DESCRIPTION

Civic Address: _____

Property ID (PID): _____

Number of Units: _____

Total Building Cost: _____

L A R G E - S C A L E D E V E L O P M E N T I N C E N T I V E P R O G R A M

SCHEDULE D - APPLICATION FORM
CITY OF SAINT JOHN

Briefly describe your project and provide details including details related to design, accessibility, housing affordability, site challenges, energy efficiency, and parking. This information will be used to score your application per Schedule B. You may attach additional pages to this application form.

Grants applied for:

Base Grant - \$12,500 per unit

Top up Grants

Active Retail/Commercial Ground Floor Use - \$690 per m² (up to a maximum of 900 m²).

Affordable Housing – \$5,000 per eligible affordable housing unit

3-bedroom unit - \$2,500 per eligible 3-bedroom unit

4.0 SIGNATURES

I hereby request that this application be considered under the *Large-Scale Incentive Program* of the Growth & Community Services Department of The City of Saint John.

By signing below, I certify that all information included on this application form is truthful and accurate.

Applicant's printed name

Applicant's signature

DD/MM/YY

General Collection Statement

This information is being collected in order for the City of Saint John to deliver an existing program/service; the collection is limited to that which is necessary to deliver the program/service. Unless required to do so by law, the City of Saint John will not share your personal information, including pro forma information, with any third party without your express consent.

The legal authority for collecting this information is to be found in the Municipalities Act and the Right to Information and Protection of Privacy Act.

For further information or questions regarding the collection of personal information, please contact the Access & Privacy Officer.

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L A R G E - S C A L E D E V E L O P M E N T I N C E N T I V E P R O G R A M

SCHEDULE D - APPLICATION FORM CITY OF SAINT JOHN

ATTACHMENTS

Please be sure to include the following attachments to your application:

- Proof of planning approval
- Project schedule
- Design level drawings (schematic, massing, floor plans, elevation) i.e. minimum Class C Drawings
- Pro forma including total development cost, operating assumptions, and rent assumptions
- Evidence of other funding or incentives if applicable (CMHC, Province)

Schedule E - Pro Forma Input Assumptions

SITE & BUILDING	Mid-Rise	High-Rise
Site Stats		
Site Area (ft2)	20,000 sqft	20,000 sqft
Site Area (m2)	1,858 sqm	1,858 sqm
Site Area (ha)	0.19 ha	0.19 ha
Site Area (ac)	0.46 ac	0.46 ac
Density	269 uph	807 uph
Unit Mix		
Number of Units	50 units	150 units
Studio	0%	0%
One-Bedroom	60%	60%
Two-Bedroom	30%	30%
Three-Bedroom	10%	10%
Unit Size		
Avg. Unit Size	0 sqft	0 sqft
Studio	0 sqft	0 sqft
One-Bedroom	700 sqft	700 sqft
Two-Bedroom	850 sqft	850 sqft
Three-Bedroom	1,200 sqft	1,200 sqft

Parking		
Parking Space Per Unit	0.80 / unit	0.80 / unit
Surface Parking	0 space(s)	0 space(s)
	0%	0%
Above Grade Parking	40 space(s)	96 space(s)
	100%	80%
Below Grade Parking	0 space(s)	24 space(s)
	0%	20%

TIMELINE & FINANCING	Mid-Rise <i>Traditional</i>	High-Rise <i>Traditional</i>
Timeline		
Entitlement	12 mths	18 mths
Construction / Renovation	24 mths	36 mths
Lease Up	12 mths	18 mths
Construction Loan	6.25%	6.25%
Permanent Debt Rate	4.50%	4.50%
Capitalization Rate	5.50%	5.00%

REVENUES & EXPENSES	Mid-Rise <i>Rental</i>	High-Rise <i>Rental</i>
Rent / Price		
Avg. Rent / Price	\$1,990	\$1,990
Studio	\$0	\$0
	-	-
One-Bedroom	\$1,800	\$1,800
	\$2.57 <i>psf</i>	-
Two-Bedroom	\$2,100	\$2,100
	\$2.47 <i>psf</i>	-
Three-Bedroom	\$2,800	\$2,800
	\$2.33 <i>psf</i>	\$2.33 <i>psf</i>
Price / Rent Growth to Lease Up	5.0%	5.0%
Rent Growth Stabilized	3.5%	3.5%
Operating Expenses % of EGR	32%	32%
Hold Period	1 years	1 years

Commercial Rents		
Rent \$PSF	\$17 psf	\$17 psf
Cap Rate	7.0%	7.0%
Office Rents		
Rent \$PSF	\$27 psf	\$27 psf
Cap Rate	10.8%	10.8%

LAND COSTS	Central Peninsula	Central Peninsula
\$ per Door	\$20,000	\$20,000

DEVELOPMENT COSTS	Mid-Rise Traditional	High-Rise Traditional
Hard Costs		
Construction Costs	\$200 psf	\$225 psf
Surface Parking	\$5,000 per space	
Above Grade Parking	\$42,000 per space	
Below Grade Parking	\$64,000 per space	
Cost Growth	3% annually	