



Atlantic Municipal Report (2024)

Which municipalities are small business friendly?

September 2024

CFIB
CANADIAN FEDERATION
OF INDEPENDENT BUSINESS
In business for your business.

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Foreword

The second iteration of the Canadian Federation of Independent Business's (CFIB) *Atlantic Municipal Report* once again examines how well municipal governments respond to the needs of their local businesses. This report also challenges municipalities to adapt to the changing business landscape in Atlantic Canada while making it easier for business owners to do what they know and love: run their business.

This report follows a similar format as its previous edition and focuses on each municipality's fiscal responsibility, red tape reduction measures, and small business friendly policies. Using last year's report as a benchmark, this report also includes a "Most Improved Municipality" category, highlighting the efforts undertaken by some municipalities to create a more conducive atmosphere for small businesses.

The rising cost of doing business, labour shortages, and numerous other cost constraints all contribute to an unsustainable environment for small businesses in Atlantic Canada. When faced with challenging times in the past, municipalities have shown their readiness and flexibility to help small businesses overcome adverse economic situations out of their control. The voices of Atlantic small businesses are the cornerstone of this report, and CFIB hopes that their municipalities can listen to their needs and develop policies that do not hinder their ability to continue serving their local communities.

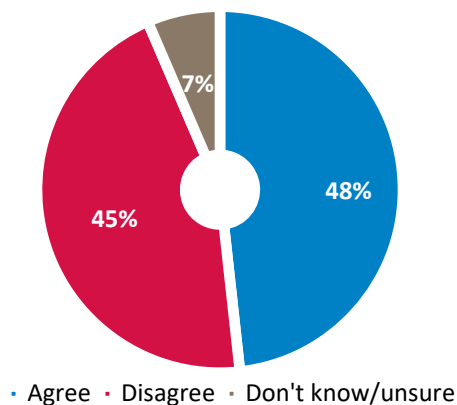
Introduction

The 2024 *Atlantic Municipal Report* identifies three categories that are fundamental for small business to operate and grow: fiscal responsibility, red tape, and small business friendliness. Each of these categories fall under municipal jurisdiction. As such, it is up to the municipalities to help their local businesses not only survive but thrive.

FIGURE 1

Small businesses in Atlantic Canada have mixed opinions on the friendliness of their municipalities

Question: “Please indicate the extent to which you agree: Our municipality is small business friendly.”



Source: CFIB, Atlantic Municipal Survey, June 2023, n = 201.

For comparison purposes, this report focuses on the same municipalities as in the previous *Atlantic Municipal Report*. In doing so, it is possible to measure how each municipality has progressed towards becoming more small business friendly over the last year. The six municipalities selected for this report are:

1. Halifax Regional Municipality (HRM), Nova Scotia
2. Moncton, New Brunswick
3. Cape Breton Regional Municipality (CBRM), Nova Scotia
4. Fredericton, New Brunswick
5. Charlottetown, Prince Edward Island
6. St. John's, Newfoundland and Labrador

Fiscal responsibility

Municipalities rely on property taxes to fund their operational budgets. Public transit, law enforcement, and other municipal maintenance services are all funded through property tax revenue and should provide equal benefit to small businesses and residential taxpayers. However, recent CFIB survey data shows that seven out of ten (70%) business owners in Atlantic Canada do not believe the public services in their municipality are fair value for their money.²

“Escalating property taxes are becoming a significant barrier to the success of my business, to the extent that I may retire earlier than expected.”²

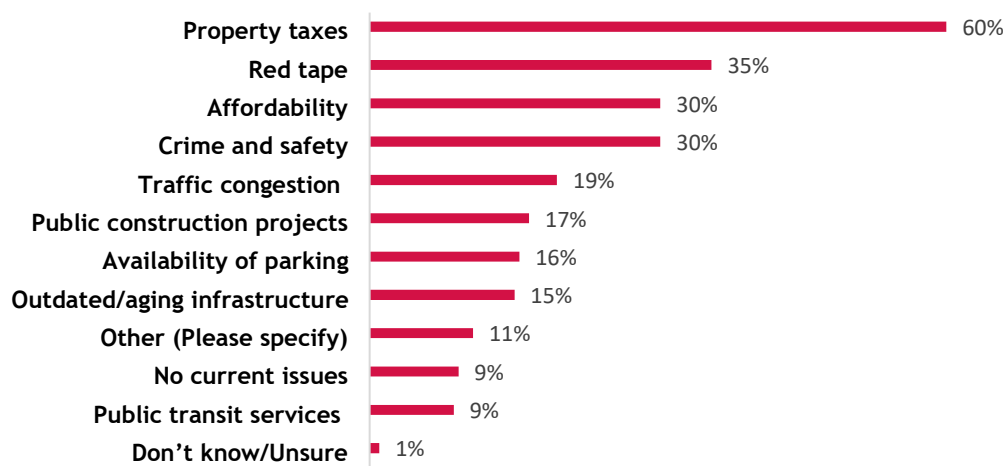
- Business owner, Atlantic Canada

Moreover, in recent years, commercial properties have struggled to keep up with rising property taxes. Six in ten Atlantic Canadian small business owners claim that property taxes are the biggest issue impacting their business²—a slight decrease from the seven in ten businesses noted in the previous report, but still the most pressing issue for Atlantic small business owners.

FIGURE 2

Property taxes remain the biggest municipal issue affecting small businesses in Atlantic Canada

Question: “Which of the following municipal issues has the biggest impact on your business? (Select all that apply)”



Source: CFIB, Atlantic Municipal Survey, June 2023, n = 206.

As such, this section includes indicators intended to evaluate the tax burden placed on small businesses by their respective municipalities.

The indicators for fiscal responsibility are:

1. Does the municipal budget commit to reducing property taxes?
2. Yearly change of a commercial property tax bill

Fiscal responsibility indicator 1: Does the municipal budget commit to reducing property taxes?

The pledge to reduce property taxes is a commitment to responsible spending practices. In the 2023 *Atlantic Municipal Report*, no municipalities had committed to reducing the burden of property taxes on businesses.

Scores for this indicator are based on the municipal government's commitment to reduce the non-residential property tax burden. Municipalities with written intent to reduce non-residential property taxes in their 2024/25 budgets received a score of 10. If there was no mention of non-residential property tax reductions in a municipality's 2024/25 budget, it received a score of 0.

Table 1

Indicator 1: Does the municipal budget commit to reducing commercial property taxes?

	Score
Halifax, N.S.	5
Moncton, N.B.	0
CBRM, N.S.	10
Fredericton, N.B.	10
Charlottetown, P.E.I.	0
St. John's, N.L.	0

Scoring: 10 = the 2024/25 budget specifically mentions a planned reduction of the commercial tax rate; 5 = the 2024/25 budget mentions a reduction of property taxes; 0 = no reduction of any tax rate is planned in the budget.

Since the last iteration of CFIB's *Atlantic Municipal Report*, municipalities have made progress to reduce the property tax burden. Halifax's newly revamped tiered tax system slightly lowers the municipal commercial tax rate, but some businesses will still pay more in property taxes, depending on their location. As such, Halifax only received partial points for this indicator.

CFIB is pleased with the outright commitment to lower commercial property taxes by two municipalities. To counter the 3% increase in revenue from federal grants, the CBRM lowered its proposed property tax revenue by 3.2%. CFIB urges all municipalities to follow this example and utilize surpluses or additional funding to reduce property taxes while maintaining the quality of public services. Fredericton's budget also specifically states the goal of reducing property taxes for "all local businesses." CFIB encourages other municipalities to follow the lead of Fredericton and the CBRM and commit to lowering the tax burden on small businesses.

Fiscal responsibility indicator 2: Yearly change of a commercial property tax bill

One in four (25%) businesses in Atlantic Canada considered relocating because of the cost of doing business in their municipality. As property tax costs are a major stress factor for small business owners, lowering the commercial property tax rate would not only incentivize new investment but would also make it easier for business owners to continue working in their municipality.

Scores for this indicator are based on the municipal government's commitment to reduce the commercial property tax burden. Municipalities that lowered the commercial rate from the previous year received full points for this indicator, while municipalities that froze their rate received half points, and municipalities that increased the rate received no points.

Table 2

Indicator 2: Yearly change of a commercial property tax bill

	2023/24 Commercial Rate	Cost per \$100,000 of Assessed Property	2024/25 Commercial Rate	Cost per \$100,000 of Assessed Property	Percent Increase (Decrease)	Score
Halifax, N.S.	2.803	\$2,803	2.803	\$2,803	0%	5
Moncton, N.B.	4.2189	\$4,289	4.2189	\$4,219	0%	5
CBRM, N.S.	5.2276	\$5,228	4.9408	\$4,941	(5.49%)	10
Fredericton, N.B.	4.1316	\$4,132	4.11462	\$4,115	(0.41%)	10
Charlottetown, P.E.I.	3.86	\$3,860	3.86	\$3,860	0%	5
St. John's, N.L.	2.59	\$2,590	2.85	\$2,850	10.04%	0

Scoring: 10 = the 2024/25 commercial rate decreased since last year; 5 = the 2024/25 commercial rate neither increased nor decreased since last year; 0 = the 2024/25 commercial rate increased since last year.

*Note: The HRM's rate was calculated using an average of the three tiers of the downtown/community commercial rate. The Sydney commercial rate was used for the CBRM.

All municipalities except St. John's lowered or froze commercial tax rates from the previous year. However, the commercial rates in the municipalities that lowered them remain significantly above the regional average. CFIB encourages these municipalities to lower the heavy tax burden on commercial properties and close the property tax gap between them and residential properties (read more here: [Atlantic Property Tax Gap Report](#)). Even so, it is promising to see the majority of Atlantic municipalities opting not to worsen the cost struggles of small business owners, and in the case of Fredericton and the CBRM, even lowering the property tax burden.

Recommendations

- Reduce property taxes through restraint in municipal operating spending and by finding internal inefficiencies.
- Close the property tax gap to ensure a fairer and more balanced property tax system between residential and commercial tax rates.
- Engage in sustainable spending practices and ensure the growth in operational budgets does not exceed inflation and population growth.

Red tape

CFIB understands that regulatory procedures play a vital role in keeping employers and employees safe while on the job. Red tape refers to the onerous and unnecessary paperwork and regulations that make it harder to do business. Small business owners often suffer from the extensive costs and timelines of an overbearing regulation process.

Since the release of last year's *Atlantic Municipal Report*, multiple municipalities across Atlantic Canada have taken steps to reduce red tape within their borders. The ability to apply and pay for licences and permits online is a major step undertaken across the region that expedites the permitting process for many businesses, and permit tracking provides business owners with greater insight when planning future projects.

Even with these recent municipal developments, red tape continues to pose a problem for small businesses. One in three small business owners in Atlantic Canada still claim that the unnecessary paper and time burden of red tape are the biggest municipal issue for their business. Municipalities must work with small business owners to keep unnecessary red tape to a minimum.

“The town has old ideas and is not business friendly... Policies and bylaws create an amazing amount of red tape and expenses trying to please unreasonable laws.”²

-Business owner, Atlantic Canada

The indicators for this section are:

1. The financial burden and time costs of sidewalk café permits
2. The option for businesses to apply and pay for building licences online
3. A public feedback mechanism for reporting red tape concerns
4. Publicly available estimated timelines and tracking for permitting/licensing processes
5. A municipally managed procurement portal

Red tape indicator 1: The financial burden and time costs of sidewalk café permits

The hospitality industry has historically been a sector with much uncertainty, and stresses stemming from the pandemic have only worsened the state of the sector's health. CFIB data shows that insufficient demand is the number one factor limiting sales and growth for hospitality businesses, and impacts half (50%) of the hospitality businesses nationwide.⁴ Sidewalk patios provide an enticing opportunity for businesses to draw in customers, take full advantage of the summer weather, and capitalize on the tourism season.

While the previous *Atlantic Municipal Report* covered the cost of a sidewalk patio for restaurants and cafés, this report also includes the number of additional documents needed (excluding the general application form required by most municipalities: name, address, business name, etc.) as well as the permit timeline. While elevated permit costs can cause some business owners to opt against a sidewalk patio, the time needed to gather an extensive number of additional documents may prove even more dissuasive.

The following scores were determined based on the cost of a permit for a patio the size of one parking space (11.89 m² or 127.98 ft²) in each municipality. At the time this report was completed, the CBRM did not have any information about patio permits online and did not provide a sufficient answer when CFIB inquired. For this indicator, municipalities received a score of 10 if their permit cost was below the regional average (\$1,067), those within \$100 of the regional average received a 5, and municipalities with permit costs above the regional average received a score of 0.

Table 3

Indicator 1: The financial burden and time costs of sidewalk café permits

	Cost	Additional Documents	Permit Timeline	Score
Halifax, N.S.	\$970	4	Up to 2 weeks	5
Moncton, N.B.	\$350	2	Up to 1 week	10
CBRM, N.S.	N/A	N/A	N/A	N/A
Fredericton, N.B.	\$500	4	Up to 1 week	10
Charlottetown, P.E.I.	\$750	3	Up to 6 weeks	10
St. John's, N.L.	\$2,765	3	Up to 2 weeks	0

Scoring: 10 = below the regional average of \$1,067; 5 = within \$100 of the regional average; 0 = above the regional average.

In addition to having the most affordable sidewalk patio permits, Moncton requires the fewest additional documents and has the quickest processing time. The application and payments, however, must be submitted in person. CFIB encourages all municipalities to digitize the permitting process and to keep patio fees, documents, and processing times to a minimum.

Red tape indicator 2: The option for businesses to apply and pay for building licences online

An online licensing/permitting system allows business owners to quickly apply for licences without needing to print forms or spend time waiting at city hall. Automation creates a quicker, more efficient process that allows business owners to spend more time with their business, and less focusing on dealing with red tape. A more streamlined permitting process can also play a role in addressing housing shortages and project delays by reducing the time and cost associated with excessive administrative burdens, therefore supporting the much-overstressed construction industry.

Scores for this indicator were determined by searching municipal websites for ways to submit and pay for applications online (not just printable forms). The intent was to find the application process similarly to how a business owner would. If nothing was found, searches were done using keywords such as “building application submission,” “payment options,” “licence portal,” “online payment,” and “online permit application.” If nothing was found through these two processes, the municipality received a score of 0.

Table 4

Indicator 2: The option for businesses to apply and pay for building licences online

	Score
Halifax, N.S.	10
Moncton, N.B.	10
CBRM, N.S.	0
Fredericton, N.B.	10
Charlottetown, P.E.I.	0
St. John’s, N.L.	0

Scoring: 10 = existence of an online building licence application option AND an online payment option; 5 = existence of an online building licence application option OR an online payment option; 0 = in-person options only.

CFIB encourages all municipalities to digitize the building permitting/licensing process and to expand the service to other types of permits. For example, Moncton allows businesses to apply for a variety of licences online, such as mobile vending licences and event permits. Optimizing all permitting processes and minimizing red tape will allow small businesses to reach their full potential, and streamlining building permits will give construction businesses more time which can be used to meet increasing demand.

Additionally, the next step for municipalities would be the incorporation of artificial intelligence (AI) into the permitting process. According to CFIB data, one in three (33%) small businesses agree that their municipality should adopt AI to aid in streamlining the permitting/licensing process.² Municipalities in Atlantic Canada could use Kelowna, B.C., as an example as they work to develop a permitting chatbot that answers permitting questions, provides information, and will eventually process simple permits.

Red tape indicator 3: A public feedback mechanism for reporting red tape concerns

Small businesses in Atlantic Canada cite red tape as the second-biggest municipal issue affecting their business, after property taxes.² In the previous edition of this report, Halifax was the only municipality to offer a red tape feedback portal for businesses. The portal has since been removed. Red tape feedback tools provide an opportunity for governments to connect with the public regarding their concerns, hopefully leading to improvements in the way the public is served.

Scores for this indicator were determined by searching for a red tape feedback mechanism on municipal websites. If nothing was found through this initial general search, keywords such as “red tape,” “red tape feedback,” “business feedback,” and “public feedback” were used.

Table 5

Indicator 3: A public feedback mechanism for reporting red tape concerns

	Score
Halifax, N.S.	0
Moncton, N.B.	0
CBRM, N.S.	0
Fredericton, N.B.	0
Charlottetown, P.E.I.	0
St. John’s, N.L.	0

Scoring: 10 = existence of a public feedback mechanism for reporting red tape concerns; 0 = no public feedback mechanism for reporting concerns.

Despite the vast amounts of time and resources that red tape takes from business owners, little is being done by municipalities to fix this major issue. CFIB strongly urges municipalities to recognize the severity of the red tape problem and offer small business owners the opportunity to directly express pain points in the regulatory process. Feedback portals should be found directly on municipal websites as they serve as the primary touch point between the city and its residents.

Red tape indicator 4: Publicly available estimated timelines and tracking for permitting/licensing processes

Business owners need to be able to accurately predict the time and resources required before undertaking any new project. Estimated timelines and permit tracking allow business owners to plan and order inventory and materials for their next project. A lack of transparency and delays in the permitting process also result in delayed projects, which means delayed compensation for contractors or other business owners who are not able to work until their permit is approved. As a result, business owners are sometimes forced to take out loans or turn to their savings to keep projects going and keep their business afloat.

For this indicator, municipalities with publicly available timelines for permit processing received a score of 10, those with a private tracking system for permit processing received a score of 5, and municipalities without either of these features received a score of 0. Scores were determined by searching municipal websites for information about permit timelines. If nothing was found, a search was done using the keywords “permit timeline,” “permit process,” “permit,” and “public timeline.”

Table 6

Indicator 4: Publicly available estimated timelines and tracking for permitting/licensing processes

	Score
Halifax, N.S.	10
Moncton, N.B.	5
CBRM, N.S.	5
Fredericton, N.B.	5
Charlottetown, P.E.I.	5
St. John’s, N.L.	5

Scoring: 10 = an estimated timeline for permit processing is publicly available; 5 = there is no publicly available estimated timeline, but a personal tracking process exists for submitted permits; 0 = no public or private estimated timelines or tracking options exist.

CFIB is pleased that every municipality uses some sort of tracking mechanism for business owners to follow the status of their permit, yet only Halifax includes estimated timelines. CFIB encourages municipalities to adopt the system used by Halifax, updating the permit page annually to provide information on the number of permits submitted, issued, and the average processing time. Additionally, CFIB asks that municipalities set service standards, publicly report whether they are meeting these standards, and provide compensation or partial rebates for businesses in the event of extensive permit delays.

Red tape indicator 5: A municipally managed procurement portal

Municipal procurement contracts provide the opportunity for local businesses to receive consistent and reliable work opportunities. The increased transparency of municipal contracts should lower the risk of disputes or project changes that come with private work. CFIB members who had completed procurement opportunities also claimed to have been paid promptly (within 30 days),² again demonstrating how municipal contracts can provide stable income for businesses.

For this indicator, municipalities that had a procurement system with the option to bid on contracts online received full points. Those that had a municipal procurement page but required bids to be submitted in person received 5 points, and those without a municipal procurement page received no points. Scores were determined by searching municipal websites for information about procurement systems. If nothing was found, a search was done using the keywords “procurement,” “contract

portal,” “city contracts,” and “bids and tenders.” Associated municipal web pages such as “halifax.bidsandtenders.ca” qualified for this indicator, but provincial bidding pages did not.

Table 7

Indicator 5: A municipally managed procurement portal

	Score
Halifax, N.S.	10
Moncton, N.B.	10
CBRM, N.S.	0
Fredericton, N.B.	0
Charlottetown, P.E.I.	5
St. John’s, N.L.	10

Scoring: 10 = A municipal procurement page exists for online bidding; 5 = a municipal procurement page exists, but bids must be submitted in person; 0 = no municipal procurement page exists for online bidding.

CFIB is pleased that most municipalities offer the option to apply for contracts online. Municipal procurement pages allow businesses to communicate directly with their municipality. Using a provincial tenders page to advertise municipal contracts (as in the case of the CBRM and Fredericton) adds an unnecessary layer of red tape to the procurement contract. CFIB recommends these municipalities create their own bidding websites to simplify communications between them and bidders.

Recommendations

- Make permit process timelines publicly available to allow businesses and residents to plan accordingly, and report on whether these service standards are being met.
- Provide feedback mechanisms for business owners to voice their concerns and identify areas where red tape is a problem.
- Expand the online permit submission and payment process to additional types of permits.
- Reduce the cost and number of documents required for sidewalk patio permits and implement tools such as AI to streamline the permitting process.
- Create municipal procurement portals that streamline the bidding process and prioritize applications from small businesses for procurement opportunities valued below Canadian Free Trade Agreement thresholds (\$133,800 for goods and service contracts, \$334,400 for construction contracts).

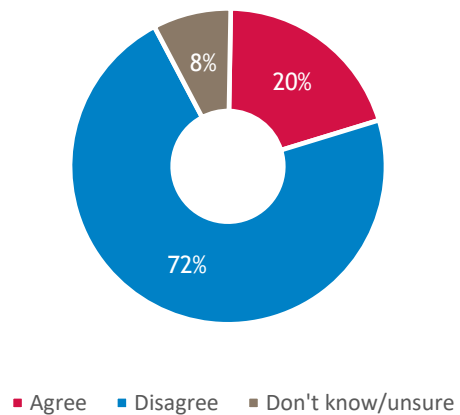
Small business friendliness

Small business friendliness refers to the initiatives and policies implemented by municipalities to create a more welcoming environment for small businesses and provide cost relief for business owners. Whether by introducing a web page dedicated to small business or by making a policy change, municipalities must work to make their communities more small business friendly.

FIGURE 3

Small businesses feel Atlantic municipal policies are not helping their businesses grow

Question: "Please indicate the extent to which you agree: Municipal policies help us to grow our business (e.g., tax breaks, rebates, grants)"



Source: CFIB, Atlantic Municipal Survey, n = 216.

Policies, such as those regarding property tax rates, often favour residents over business owners. CFIB encourages municipalities to keep in mind the needs of small businesses when designing future policies.

Indicators for this section include:

- The existence of a dedicated business page
- Crime prevention and reparative subsidies
- A construction mitigation policy for public projects

Small business friendliness indicator 1: The existence of a dedicated business page

One of the simplest ways that municipalities can demonstrate their commitment to being small business friendly is by having a dedicated page for businesses. Web pages or portals that show ongoing municipal projects help business owners stay informed of the resources offered by their municipality, and directories help business owners find the right contact person when they have a question. Due to ongoing labour shortages, business owners are working an average of 59 hours a week.¹ The time it takes to try to find resources online could be better spent working directly on their business.

Municipalities with a dedicated web page and contact information received a score of 10, those with one of these features received a score of 5, and those without either feature received a score of 0. The scores were based on a search of their website for a business page and business contact information. If we did not find what we were looking for, we used the search system and the keywords “contact information,” “directory,” “business contact,” “business,” “small business,” and “economic development.”

Table 8

Indicator 1: The existence of a dedicated business page

	Score
Halifax, N.S.	10
Moncton, N.B.	10
CBRM, N.S.	10
Fredericton, N.B.	10
Charlottetown, P.E.I.	10
St. John’s, N.L.	10

Scoring: 10 = existence of a dedicated business page including contact information; 5 = existence of a dedicated business page without contact information; 0 = no dedicated business page or contact information.

CFIB is pleased that all municipalities in this report have dedicated pages for businesses and provide contact information for liaison offices. Going forward, municipalities are encouraged to find new ways to help and promote small businesses on their municipal websites. Nearly half (47%) of Atlantic businesses said they would like to see their municipalities adopt an online promotion platform that would spotlight local businesses in different sectors.²

Small business friendliness indicator 2: Crime prevention and reparative subsidies

Crime ranks as the fourth most impactful issue currently affecting small businesses in Atlantic Canada, following property taxes, red tape, and affordability.² Recent programs with the aim to mitigating the impact crime has on small businesses in British Columbia and Manitoba have focused on providing rebates for business owners looking to enhance security or compensating businesses for the value of damaged or stolen goods. The Government of British Columbia offers up to \$1,000 for businesses

looking to adopt preventative crime measures, and another \$2,000 for reparative costs for businesses dealing with break-ins, vandalism, and theft.

For this indicator, municipalities that offered subsidies for both crime prevention and reparation received a score of 10. Municipalities that offered one of the subsidies received a score of 5, and those that did not offer crime-related subsidies received a score of 0. The scores were based on a search of their website for a crime subsidy program. If we did not find what we were looking for, we used the search system and the keywords “crime subsidies,” “crime reparations,” “damage subsidies,” and “prevention rebates.”

Table 9

Indicator 2: Crime prevention and reparative subsidies

	Score
Halifax, N.S.	0
Moncton, N.B.	0
CBRM, N.S.	0
Fredericton, N.B.	0
Charlottetown, P.E.I.	0
St. John’s, N.L.	0

Scoring: 10 = subsidies are offered for both crime prevention and reparation; 5 = subsidies are offered for either crime prevention or reparations; 0 = no crime-related subsidies are offered for businesses.

With nearly half (47%) of businesses claiming to have been directly impacted by crime (theft, vandalism, waste) in the last 12 months,³ municipalities must ensure their local communities are not only protected but supported. Subsidizing preventative measures will allow business owners to implement security technology to better protect their business, and reparation costs can help owners partially cover the bill if their business is targeted nonetheless.

Some provincial governments do not allow for direct financial compensation, but there are other ways municipalities can help. In 2022, Halifax started a program that allowed businesses to hire off-duty police officers for extra protection. Municipalities could also employ a crime liaison officer that would provide a more efficient method of communication for reporting crimes affecting businesses.

Small business friendliness indicator 3: A construction mitigation policy for public projects

Over the last five years, businesses that had been affected by construction projects nationwide lost an average of 22% of their annual revenue.⁵ Decreased foot traffic due to dust, noise, and reduced parking significantly impacts businesses—in some cases, even causing the business to close its doors completely. Whether through tax breaks or lump sum payments, affected businesses require compensation if revenues are impacted during a project.

Montréal, Québec, and Calgary are among the few municipalities that have recently implemented construction mitigation policies to aid businesses affected by construction in their area. In Montréal, businesses could receive up to \$40,000 in direct financial assistance if their revenue decreased by at least 5 percent from the previous fiscal year.

Municipalities with a construction mitigation policy to help ease the burden of local construction projects on small businesses received a score of 10. Municipalities with a construction mitigation policy that is weak in structure with no key elements received a score of 5. Municipalities with no initiatives or policies in place around construction mitigation received a 0. Scores for this section were based on a search in the policy section of municipal websites for anything regarding construction mitigation. The keywords “construction mitigation,” “public project relief,” and “project mitigation” were used.

Table 10

Indicator 3: A construction mitigation policy for public projects

	Score
Halifax, N.S.	5
Moncton, N.B.	0
CBRM, N.S.	0
Fredericton, N.B.	0
Charlottetown, P.E.I.	0
St. John’s, N.L.	0

Scoring: 10 = existence of a construction mitigation policy to help ease the burden of local construction projects on small businesses (CFIB’s report on construction mitigation); 5 = existence of a construction mitigation policy that is weak in structure with no key elements; 0 = no initiatives or policies about construction mitigation in place.

CFIB is disappointed to see the lack of progress towards assisting businesses suffering from construction-related issues. Halifax is the only city with a construction mitigation plan, but its plan solely focuses on lowering the damage of the project through precautionary measures, such as cleaning affected sidewalks from dust and debris, and adhering to noise bylaws. Despite Halifax’s construction mitigation plan placing greater focus on project management than on direct support for businesses, it should be noted that Halifax has formally requested that the province of Nova Scotia grant it the ability to provide construction mitigation relief through direct financial compensation.

It is important to note that construction mitigation goes beyond direct financial assistance. Nearly a third (33%) of small businesses surveyed nationally claimed that they were never informed of a construction project before it began.³ Municipalities should consider employing a business liaison officer and introducing a “no surprise rule” so owners can be better prepared regarding future city projects. Additionally, municipalities could improve the contracting process by implementing a bonus/penalty system that would reward the timely completion of projects.

Recommendations

- Develop an online business promotion platform and highlight businesses in various sectors.
- Provide crime relief through prevention and reparation subsidies and employ other measures such as a crime liaison officer for more efficient communication between city and business.
- Establish a compensation program for cases where construction has lowered the revenues of local businesses, implement a “no surprise rule” so businesses can prepare for municipal projects, and add contracting bonuses/penalties to incentivize businesses to finish in a timely manner.

Atlantic Awards

CFIB is pleased with the measures undertaken by some municipalities to become more fiscally responsible, reduce municipal red tape, and create a more business friendly environment. Each positive measure taken has given small business owners additional time and resources to do what they do best: run their business.

The first Atlantic Awards showcase the municipality that has best demonstrated its commitment to becoming more small business friendly. The **ATL Improvement Award** is given to the municipality that has shown the greatest improvement in the repeat indicators from the previous *Atlantic Municipal Report*. The six repeat indicators that will be used to judge the most improved municipality fall under the categories of fiscal responsibility, red tape reduction, and small business friendliness:

Fiscal responsibility

- Indicator 1: Does the municipal budget commit to reducing property taxes?

Red tape

- Indicator 1: The financial burden and time costs of sidewalk café permits
- Indicator 3: A public feedback mechanism for reporting red tape concerns
- Indicator 4: Publicly available estimated timelines and tracking for permitting/licensing processes

Small business friendliness:

- Indicator 1: The existence of a dedicated business page
- Indicator 3: A construction mitigation policy for public projects

ATL Improvement Award

The ATL Improvement Award is given to the municipality with the greatest total change among all the repeat indicators. For example, if a municipality scored a 0 for the “existence of a dedicated business page” indicator in the 2023/24 edition of the *Atlantic Municipal Report* and then scored a 10 in the 2024/25 report, it would receive an improvement score of 10.

Table 11

Atlantic improvement 2024/25 vs. 2023/24

	Property Tax Rates (Ind. 1.1)	Sidewalk Patio Fees (Ind. 2.1)	Red Tape Portals (Ind. 2.3)	Licensing Tracking (Ind. 2.4)	Business Page (Ind. 3.1)	Construction Mitigation (Ind. 3.3)	Total Change
Halifax, N.S.	5	0	-10	5	0	0	0
Moncton, N.B.	0	0	0	5	0	0	+5
CBRM, N.S.	10	0	0	0	0	0	+10
Fredericton, N.B.	10	0	0	0	5	0	+15
Charlottetown, P.E.I.	0	0	0	5	0	0	+5
St. John’s, N.L.	0	0	0	5	0	-5	0

Scoring: Values for each category were given using the difference in scores between reports for each municipality.

ATL Improvement Award winner: Fredericton

CFIB is proud to announce **Fredericton** as the recipient of the first ATL Improvement Award. Fredericton was one of just two municipalities to lower its commercial tax rate, and specifically mentioned its aim to reduce the burden on local businesses. It also improved its dedicated business page, making it easier for local business owners to find resources online.

CFIB applauds the work of all municipalities to help small businesses grow, including Charlottetown’s improved licensing and tracking and Halifax’s property tax restructuring. We encourage municipalities to continue to listen to the voice of small businesses, and commit to initiatives that will help them support their communities in the future.

CFIB's recommendations

CFIB recommends the following to municipalities in Atlantic Canada:

Fiscal responsibility

- Reduce property taxes through restraint in municipal operating spending and by finding internal inefficiencies.
- Close the property tax gap to ensure a fairer and more balanced property tax system between residential and commercial tax rates.
- Engage in sustainable spending practices and ensure the growth in operational budgets does not exceed inflation and population growth.

Red tape

- Make permit process timelines publicly available to allow businesses and residents to plan accordingly, and report on whether these service standards are being met.
- Provide feedback mechanisms for business owners to voice their concerns and identify areas where red tape is a problem.
- Expand the online permit submission and payment process to additional types of permits.
- Reduce the cost and number of documents required for sidewalk patio permits and implement tools such as AI to streamline the permitting process.
- Create municipal procurement portals that streamline the bidding process and prioritize applications from small businesses for procurement opportunities valued below Canadian Free Trade Agreement thresholds (\$133,800 for goods and service contracts, \$334,400 for construction contracts).

Small business friendliness

- Develop an online business promotion platform and highlight businesses in various sectors.
- Provide crime relief through prevention and reparation subsidies and employ other measures such as a crime liaison officer for more efficient communication between city and business.
- Establish a compensation program for cases where construction has lowered the revenues of local businesses, implement a “no surprise rule” so businesses can prepare for municipal projects, and add contracting bonuses/penalties to incentivize businesses to finish in a timely manner.

Appendix A: Subindex scorecards

Subindex scorecards and summary of municipal findings

Fiscal responsibility

	Does the municipal budget commit to reducing commercial property taxes?	Yearly change of a commercial property tax bill	Overall score
Halifax, N.S.	5	5	5
Moncton, N.B.	0	5	2.5
CBRM, N.S.	10	10	10
Fredericton, N.B.	10	10	10
Charlottetown, P.E.I.	0	5	2.5
St. John's, N.L.	0	0	0

Red tape

	The financial burden and time costs of sidewalk café permits	The option for businesses to apply and pay for building licences online	A public feedback mechanism for reporting red tape concerns	Publicly available estimated timelines and tracking for permitting/licensing processes	A municipally managed procurement portal	Overall score
Halifax, N.S.	5	10	0	10	10	7
Moncton, N.B.	10	10	0	5	10	7
CBRM, N.S.	N/A	0	0	5	0	1.25
Fredericton, N.B.	10	10	0	5	0	5
Charlottetown, P.E.I.	10	0	0	5	5	4
St. John's, N.L.	0	0	0	5	10	3

*Note: The score for the cost of a sidewalk café permit is not included in the CBRM's overall score.

Small business friendliness

	The existence of a dedicated business page	Crime prevention and reparative subsidies	A construction mitigation policy for public projects	Overall score
Halifax, N.S.	10	0	5	5
Moncton, N.B.	10	0	0	3.3
CBRM, N.S.	10	0	0	3.3
Fredericton, N.B.	10	0	0	3.3
Charlottetown, P.E.I.	10	0	0	3.3
St. John's, N.L.	10	0	0	3.3

Atlantic Improvement Award

	Property Tax Rates (Ind. 1.1)	Sidewalk Patio Fees (Ind. 2.1)	Red Tape Portals (Ind. 2.3)	Licensing Tracking (Ind. 2.4)	Business Page (Ind. 3.1)	Construction Mitigation (Ind. 3.3)	Total Change
Halifax, N.S.	5	0	-10	5	0	0	0
Moncton, N.B.	0	0	0	5	0	0	+5
CBRM, N.S.	10	0	0	0	0	0	+10
Fredericton, N.B.	10	0	0	0	5	0	+15
Charlottetown, P.E.I.	0	0	0	5	0	0	+5
St. John's, N.L.	0	0	0	5	0	-5	0

Appendix B: Municipal findings

Halifax Regional Municipality (HRM), Nova Scotia	
<p>Fiscal responsibility</p>	<p>Halifax’s revamped tiered tax system slightly lowers the commercial tax rate, but an increased assessment value means some businesses will still pay more in property taxes.</p> <p>The year-over-year property tax bill in the downtown area remained the same. CFIB encourages Halifax to follow the lead of some Atlantic municipalities and directly lower the commercial tax rate for all businesses within the municipality.</p>
<p>Red tape</p>	<p>Patio permit costs in Halifax increased by \$30, from \$940 to \$970. Although its processing time is in line with the regional average, Halifax required one more document during the application process than the Atlantic average.</p> <p>Businesses could apply and pay for building permits online, so Halifax received full points for this indicator.</p> <p>Despite being the only municipality to offer a red tape feedback portal in the past, Halifax has since removed that option and replaced it with a page that highlights red tape reduction projects in the municipality. Halifax should reintroduce an online feedback mechanism so business owners can continue to voice their concerns.</p> <p>Halifax is the only municipality to publicly display estimated permit timelines. CFIB applauds the HRM’s work to regularly update this figure.</p> <p>The HRM has a municipally managed procurement portal, so it scored full points for this indicator.</p>
<p>Small business friendliness</p>	<p>Halifax has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>Halifax did not offer a crime subsidy for affected businesses. CFIB encourages Halifax to provide subsidies for crime prevention (cameras, locks) and reparations for affected small businesses.</p> <p>Halifax was the only Atlantic municipality with some form of a construction mitigation plan. However, the measures are more focused on limiting the physical damage of the construction project rather than directly helping businesses. CFIB is aware of Halifax’s construction mitigation request to the provincial government to allow for direct financial compensation, and we encourage the municipality to continue pushing this request.</p>

Cape Breton Regional Municipality (CBRM), Nova Scotia	
Fiscal responsibility	<p>The CBRM was one of two municipalities to commit to reducing the commercial tax rate.</p> <p>Commercial properties in Sydney saw tax rates drop by 5.49%—by far the largest decrease in this report. However, the commercial rate remains the highest in any major Atlantic city. CFIB encourages the CBRM to continue to close the gap between residential and commercial tax rates.</p>
Red tape	<p>In the CBRM, building permits must be submitted in person. The CBRM should consider digitizing the permitting and approvals process and allowing businesses to apply and pay for licences online, thereby removing red tape and saving business owners time.</p> <p>The CBRM does not have a public feedback mechanism for reporting red tape concerns. CFIB recommends creating an online red tape feedback mechanism to provide a direct line of communication between business owners and the municipality to assist it in the identification and reduction of municipal red tape.</p> <p>The CBRM allows businesses to track the status of permit applications but does not provide the public with estimated timelines for permits. The CBRM should consider providing permit timelines so business owners can plan accordingly.</p> <p>The CBRM’s procurement opportunities are listed on the province of Nova Scotia’s procurement site. A municipal procurement page would facilitate communication between the contractor and the city.</p>
Small business friendliness	<p>The CBRM has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>The CBRM did not offer a crime subsidy for affected businesses. CFIB encourages the CBRM to provide subsidies for crime prevention (cameras, locks) and reparations for affected businesses.</p> <p>The CBRM did not have any sort of construction mitigation plan for affected businesses. CFIB encourages the CBRM to request that the province of Nova Scotia allow it to provide direct financial assistance for affected businesses.</p>

Moncton, New Brunswick	
Fiscal responsibility	<p>Moncton did not commit to reducing the commercial property tax rate.</p> <p>Commercial properties in Moncton are paying the same commercial tax rate as they did in 2023. CFIB encourages Moncton to follow the lead of other Atlantic municipalities and lower the tax burden on small businesses.</p>
Red tape	<p>Since the 2023 iteration of this report, Moncton has changed its patio permitting system. It now charges a flat fee rather than a fee based on size. Businesses now pay a standard \$350, compared to the average of \$800 last year. Moncton also requires the fewest number of documents (2) for a permit application and is tied for the fastest processing time (1 week).</p> <p>Businesses could apply and pay for building permits online, so Moncton received full points for this indicator.</p> <p>Moncton does not have a public feedback mechanism for reporting red tape concerns. CFIB recommends creating an online red tape feedback mechanism to provide a direct line of communication between business owners and the municipality to assist it in the identification and reduction of municipal red tape.</p> <p>Moncton allows businesses to track the status of permit applications but does not provide the public with estimated timelines for permits. Moncton should consider providing permit timelines so business owners can plan accordingly.</p> <p>Moncton has a municipally managed procurement portal, so it scored full points for this indicator.</p>
Small business friendliness	<p>Moncton has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>Moncton did not offer a crime subsidy for affected businesses. CFIB encourages Moncton to provide subsidies for crime prevention (cameras, locks) and reparations for affected businesses.</p> <p>Moncton did not have a construction mitigation plan for affected businesses. CFIB encourages Moncton to follow the lead of Montréal and Québec by offering direct compensation for businesses with revenue losses related to municipal projects.</p>

Fredericton, New Brunswick	
Fiscal responsibility	<p>Fredericton was one of two municipalities to commit to reducing the commercial tax rate as part of a commitment to lowering the property tax rate for local businesses.</p> <p>Commercial properties in Fredericton saw tax rates drop by 0.41%. CFIB encourages Fredericton to continue lowering the commercial tax rate and close the tax gap with residential properties.</p>
Red tape	<p>Fredericton’s patio permitting system has remained unchanged since 2023 and still costs businesses \$500. While the cost and processing timeline are below the regional average, Fredericton requires an additional document in the permit application.</p> <p>Businesses could apply and pay for building permits online, so Fredericton received full points for this indicator.</p> <p>Fredericton does not have a public feedback mechanism for reporting red tape concerns. CFIB recommends creating an online red tape feedback mechanism to provide a direct line of communication between business owners and the municipality to assist it in the identification and reduction of municipal red tape.</p> <p>Fredericton allows businesses to track the status of permit applications but does not provide the public with estimated timelines for permits. It should consider providing permit timelines so business owners can plan accordingly.</p> <p>Fredericton’s procurement opportunities are listed on the province of New Brunswick’s procurement site. A municipal procurement page would facilitate communication between the contractor and the city.</p>
Small business friendliness	<p>Fredericton has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>Fredericton did not offer a crime subsidy for affected businesses. CFIB encourages the municipality to provide subsidies for crime prevention (cameras, locks) and reparations for affected businesses.</p> <p>Fredericton did not have a construction mitigation plan for affected businesses. CFIB encourages Fredericton to follow the lead of Montréal and Québec by offering direct compensation for businesses with revenue losses related to municipal projects.</p>

Charlottetown, Prince Edward Island	
Fiscal responsibility	<p>Charlottetown did not commit to reducing the commercial property tax rate.</p> <p>Commercial properties in Charlottetown are paying the same commercial tax rate as in 2023. CFIB encourages Charlottetown to follow the lead of other Atlantic municipalities and lower the tax burden on small businesses.</p>
Red tape	<p>Charlottetown's patio permitting system has remained unchanged since 2023 and still costs businesses \$750. While the cost and number of required documents are either at or below the regional average, Charlottetown has the lengthiest processing timeline in Atlantic Canada, taking up to six weeks for approval.</p> <p>There was no option for businesses to apply or pay for building permits online in Charlottetown. The municipality should consider digitizing its permitting and approval process and allow businesses to apply and pay for licences online, thereby removing red tape and saving business owners time.</p> <p>Charlottetown does not have a public feedback mechanism for reporting red tape concerns. CFIB recommends creating an online red tape feedback mechanism to provide a direct line of communication between business owners and the municipality to assist it in the identification and reduction of municipal red tape.</p> <p>Charlottetown allows businesses to track the status of permit applications but does not provide the public with estimated timelines for permits. Charlottetown should consider providing permit timelines so business owners can plan accordingly.</p> <p>Charlottetown has a municipal procurement page, but bids must be submitted in person. Digitizing the entire procurement process will reduce red tape and save time.</p>
Small business friendliness	<p>Charlottetown has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>Charlottetown did not offer a crime subsidy for affected businesses. CFIB encourages Charlottetown to provide subsidies for crime prevention (cameras, locks) and reparations for affected businesses.</p> <p>Charlottetown did not have a construction mitigation plan for affected businesses. CFIB encourages Charlottetown to follow the lead of Montréal and Québec by offering direct compensation for businesses with revenue losses related to municipal projects.</p>

St. John's, Newfoundland and Labrador	
Fiscal responsibility	<p>St. John's did not commit to reducing the commercial property tax rate, and instead raised tax rates.</p> <p>Commercial properties in St. John's are paying 10.04% more than they did in 2023. CFIB strongly encourages St. John's to spend responsibly and freeze or lower the commercial tax rate for 2025.</p>
Red tape	<p>St. John's patio permitting system remains the most costly in Atlantic Canada. While the number of documents required and the processing time for a permit are in line with the regional average, the \$2,765 cost of a one-parking space patio permit far exceeds all other municipalities. CFIB strongly recommends St. John's rework its patio permitting process to reduce the financial burden of the permit.</p> <p>There was no option for businesses to apply or pay for building permits online in St. John's. The municipality should consider digitizing this process and allowing businesses to apply and pay for licences online, which would remove red tape and save business owners time.</p> <p>St. John's does not have a public feedback mechanism for reporting red tape concerns. CFIB recommends creating an online red tape feedback mechanism to provide a direct line of communication between business owners and the municipality to assist it in the identification and reduction of municipal red tape.</p> <p>St. John's allows businesses to track the status of permit applications but does not provide the public with estimated timelines for permits. St. John's should consider providing permit timelines so business owners can plan accordingly.</p> <p>St. John's has a municipally managed procurement portal, so it scored full points for this indicator.</p>
Small business friendliness	<p>St. John's has a dedicated web page for businesses that contains relevant contacts, so it received full points for this indicator.</p> <p>St. John's did not offer a crime subsidy for affected businesses. CFIB encourages St. John's to provide subsidies for crime prevention (cameras, locks) and reparations for affected businesses.</p> <p>St. John's did not have a construction mitigation plan for affected businesses. CFIB encourages St. John's to follow the lead of Montréal and Québec and offer direct compensation for businesses with revenue losses related to municipal projects.</p>

Appendix C: Methodology

Financial burden of patio permits

The cost of a sidewalk café permit was calculated using each municipality's formula. A score of 0, 5, or 10 was then assigned to each municipality for the sidewalk café permit indicator.

After some research, it became clear that most municipalities base the cost of a permit on the square footage or the number of parking spaces being used. Therefore, we used the size of one parking spot (11.89 m² or 127.98 ft²) whenever square footage was required, which is consistent with the 2023 *Atlantic Municipal Report*. In addition, it should be noted that many municipalities had extra costs built into their permits such as parking meter or lamp post removal fees. These were not included in this report, but if a business requires more than one parking space, the cost will be greater.

A score of 0, 5, or 10 was then assigned to each municipality based on whether it was above, below, or within \$100 of the regional average of \$1,067. A score of 0 was given to municipalities with costs that were \$100 or more above the regional average, a score of 5 was given if they were within \$100 of the average, and a score of 10 was given if they were more than \$100 below the regional average.

There was no information regarding the cost, number of documents, and the processing time of a patio permit for the CBRM. Its first response did not cover the aspects featured in this report. CFIB last reached out on July 30, 2024. At the time this report was completed, we had not heard back.

Scores

Scores were tabulated based on a scale of 10, 5, and 0. All indicators have operational definitions of these scores. It should be noted that some indicators also display dollar amounts to provide context, and that scores were added and divided to provide an overall score. Each scorecard includes overall scores for each municipality across the three sections that were scored.

A score of 5 was given to municipalities that have made some efforts regarding the indicator. CFIB recognizes that the population size and resources of Atlantic Canadian municipalities can vary. This is why we only included the largest municipality in Prince Edward Island and in Newfoundland and Labrador in our analysis. We considered that it would be unfair to include their second-largest municipality as the population was too low. For the purposes of our analysis, we selected the seven largest municipalities in Atlantic Canada, with an additional consideration of geographical location.

Sources

Much of the data in this report comes from CFIB's Atlantic Municipal Survey for 2024 and CFIB's Monthly Business Barometer for the month of July.

- The Atlantic Municipal Survey period was from June 28 to July 20, 2023. The number of respondents was 238. For comparison purposes, the margin of error for a probability sample of the same size is +/-6.35 percentage points, 19 times out of 20.

- The Monthly Business Barometer survey period was from July 3 to July 15, 2024. The number of respondents was 467. For comparison purposes, the margin of error for a probability sample of the same size is +/-4.5 percentage points, 19 times out of 20.

References:

1. CFIB. (April 2023). The 8-day workweek: Small business owners clock in 59 hours a week to make up for labour shortages. [The 8-Day Workweek: The impact of labour shortages on the number of hours worked by Canada's small business owners \(cfib-fcei.ca\)](https://www.cfib-fcei.ca/en/8-day-workweek)
2. CFIB. (July 2024). Atlantic Municipal Survey, n = 238.
3. CFIB. (July 2024). Crime and community safety: Special survey, n = 1,451.
4. CFIB. (July 2024). Monthly Business Barometer, n = 467. [Monthly Business Barometer® \(cfib-fcei.ca\)](https://www.cfib-fcei.ca/en/monthly-business-barometer)

About CFIB

CFIB is a non-partisan organization exclusively representing the interests of 97,000 small and medium-sized businesses in Canada. CFIB's research capacity is second-to-none because it is able to gather timely and concrete information from members about business issues that affect their day-to-day operation and bottom line. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies impacting Canada's small business community. To learn more, visit cfib.ca.

Additional Resources

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