



Town of Annapolis Royal  
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December 8, 2008

The Honourable Jamie Muir  
Department of Service Nova Scotia and Municipal Relations  
14 Floor, Maritime Centre  
1505 Barrington Street  
PO Box 216  
Halifax, NS B3J 2M4

Dear Mr. Muir,

On Friday, December 5, 2008, I and others attended a meeting in Halifax at the invitation of Nathan Gorall and Jeff Shute of your Department. What we were told is the following.

It would appear that in 2005, the UNSM requested a review of the assessment for all NSPI properties. One of the outcomes of this review is that PVSC thinks the assessment value for the tidal power plant in Annapolis Royal should be reduced from \$41,500,000 to \$9,000,000 (ie. by 78%). The assessors claim that the property was never correctly assessed from the beginning. The impact on Annapolis Royal would be a proportionate reduction (of 78%) in the "grant in lieu of taxes" payment currently being received in respect of the tidal power plant property. A reduction of 78% in the grant in lieu for the tidal power plant translates to a loss in annual operating revenues of about \$735,000. Three municipal units stand to lose as a result. The District of Queens would lose 1.5 million or 15% of its budget, Trenton would lose revenue, but Annapolis Royal would be the hardest hit (78%). The money that the Town is now receiving would flow to other NSPI host communities like Guysborough and Cape Breton . As you can appreciate, the loss of this amount of revenue clearly threatens the continued existence of the Town. As a result, the Town is now considering an appeal of the assessment when the new roll comes out in December.

On December 5, 2008, I requested a meeting with you at the first opportunity to discuss possible solutions. Given the seriousness of the situation, however, I am also requesting that Service Nova Scotia and Municipal Relations provide the Town with the services of a consultant to review all of the Town's options. It is estimated that the cost would be from \$20,000 to \$30,000. In view of the suddenness of this news, the fact that a new assessment roll will be coming out this month, the fact that the reasons behind it are certainly not the fault of the Town, and the fact that at present, the future is completely uncertain, we believe that this work needs to get started as soon as possible.

I look forward to a positive response.

Sincerely,

Mayor Phil Roberts