

**THE CORPORATION OF THE CITY OF COURTENAY**

**BYLAW NO.2937**

**Downtown Courtenay Revitalization Tax Exemption Bylaw**

WHEREAS Council may by bylaw establish a revitalization tax exemption program under section 226 [revitalization tax exemption] of the *Community Charter*;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in order to encourage redevelopment and revitalization of those areas, identified in Schedule "A";

AND WHEREAS Council has identified in its strategic priorities that revitalizing downtown is critical to the City's economic future;

AND WHEREAS the City has adopted a "Downtown Courtenay Playbook" that specifically identified the establishment of a Revitalization Tax Exemption Bylaw as a means to stimulate downtown development projects;

AND WHEREAS Council has given notice of its intention to adopt this bylaw in accordance with section 227 of the *Community Charter* and considered this bylaw in conjunction with the objectives and policies set out in section 165(3.1)(c) of the *Community Charter* in the City's financial plan.

NOW THEREFORE the Council of the Corporation of the City of Courtenay, in open meeting assembled, enacts as follows:

**1. CITATION**

1.1. This bylaw may be cited for all purposes as "**Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018**".

**2. DEFINITIONS**

2.1. In this bylaw:

"Agreement" means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the City, substantially in the format of and with the content of Schedule "B" which is attached to and forms part of this bylaw;

"Assessed Value" means the BC Assessment Authority land and improvements assessed value of the parcel subject to an Agreement for the purposes of calculating property taxes;

"City" means the City of Courtenay;

"Council" means the Council of the City of Courtenay;

"Municipal property taxes" means the property taxes imposed on new buildings or eligible improvements on eligible lands shown on Schedule "A" and as prescribed in the *Community Charter*, this does not include taxes levied by the City on behalf of Schools, Library, MFA, Regional Districts, Hospital or BC Assessment Authority;

"Owner" means the owner as registered on the Certificate of Title as of the tax exemption application date;

"Project" means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw, and the construction of which is begun after an application for a Tax Exemption has been submitted to, and approved by, Council;

"Property" means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Agreement;

"Revitalization Amount" means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the property resulting from the construction or alterations of a project;

"Revitalization Area" means one of the areas outlined on Schedule "A", which is attached to and forms part of this Bylaw;

"Revitalization tax exemption agreement" means an agreement between the owner of a property and the City, substantially in the format of and with the content of Schedule "B" which is attached to and forms part of this bylaw;

"Tax Exemption" means a revitalization tax exemption pursuant to this bylaw;

"Tax Exemption Certificate" means a revitalization tax exemption certificate issue by the City pursuant to this bylaw, the relevant Agreement, and the provisions of section 226 of the Community Charter, in the form of Schedule "C", which is attached to and forms part of this bylaw.

### **3. DOWNTOWN REVITALIZATION TAX EXEMPTION PROGRAM**

3.1 There is hereby established a revitalization tax exemption program under section 226 of the Community Charter for the granting of *Tax Exemptions* and the issuance of *Tax Exemption Certificates*.

3.2 The terms and conditions upon which a *Tax Exemption* may be granted and a *Tax Exemption Certificate* may be issued are as set out in this Bylaw, in the Agreement and in the *Tax Exemption Certificate*.

3.3 The downtown revitalization tax exemption program is established under this Bylaw in order to promote the revitalization of Downtown Courtenay through:

- a) The development and redevelopment of buildings used for residential purposes to increase the population density in downtown Courtenay to support commercial success;
- b) The development and redevelopment of commercial buildings to create a vibrant downtown that attracts new investment opportunities and supports increased residential viability;
- c) To reinforce and strengthen downtown Courtenay as the commercial heart of the Comox Valley.

3.4 The revitalization tax exemption program is intended to accomplish the objectives referred to in Section 3.3 by providing Owners with an economic incentive in the form of a tax exemption to undertake the development of new improvements.

#### 4. ELIGIBILITY CRITERIA

4.1 In order for a *project* to be considered by Council for a *Tax Exemption* it must meet the following criteria:

- a) For commercial *projects*, the *project* must involve construction that results in floor space being added to an existing building or in a new building being constructed on the *property*;
- b) The construction value for commercial *projects*, as determined based on the building permit(s) issued, must be \$200,000.00 or greater;
- c) Residential *projects* in Downtown Revitalization Area 2 must include four (4) residential units or more;
- d) the land use into which the *project* is intended to fit must be one of the uses permitted in the applicable zone for the *property*, as set out in City of Courtenay Zoning Bylaw 2500, 2007, as amended from time to time, and the *project* must meet all other applicable City policies and bylaws;

- e) the *owner* of the *property* must enter into an Agreement with the City;
- f) the *property* must be located in one of the Revitalization Areas shown on Schedule "A" attached hereto and forming part of the Bylaw;
- g) Any construction of a *project* undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration;
- h) *Properties* currently receiving a municipal tax exemption shall not be considered by Council for a Tax Exemption.
- i) *Projects* involving *properties* with any unpaid property taxes in arrears shall not be considered by Council for a Tax Exemption.
- j) The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the *assessed value* of the improvements on the property between;
  - i. The calendar year before the *project* began; and
  - ii. The calendar year in which the *project* is completed.

## 5. DOWNTOWN REVITALIZATION AREA 1

5.1 The amount of the tax exemption is:

- a) 100% of the *Revitalization Amount* on the *property* for Commercial, Residential or Mixed-Use development.

5.2 The term of the tax exemption is

- a) 5 years for a *project* that is a commercial, residential or mixed-use building
- b) 8 years for a *project* that is a residential, or mixed-use building where the Owner enters into a Housing Agreement pursuant to s. 483 of the *Local Government Act* to:
  - i) Secure 10% of the residential units (minimum 1 unit) as affordable housing units; and
  - ii) Restricts the rents, lease, sale or share prices that may be charged for the units at 30% below market rates.

## 6. DOWNTOWN REVITALIZATION AREA 2

6.1 The amount of the tax exemption is:

- a) 100% of the *Revitalization Amount* on the *property* for Residential Development containing four (4) or more dwelling units;
- b) 50% of the *Revitalization Amount* on the *property* for Commercial developments

6.2 The term of the tax exemption is:

- a) 5 Years for a *project* that is a commercial, residential or mixed-use development
- b) 8 years for a *project* that is a residential, or mixed-use building where the Owner enters into a Housing Agreement pursuant to s. 483 of the *Local Government Act* to:
  - i) Secure 10% of the residential units (minimum 1 unit) as affordable housing units; and
  - ii) Restricts the rents, lease, sale or share prices that may be charged for the units at 30% below market rates.

## 7. APPLICATION PROCESS

Council may, by resolution, authorize a municipal property tax exemption pursuant to this bylaw in the manner prescribed herein:

- a) An Owner shall submit a completed application form provided by the City as amended from time to time (with all supporting documentation and the \$200 application fee) to the City concurrently with a building permit application.
- b) Upon issuance of an authorizing resolution by Council, the Owner and the City shall enter into a *revitalization tax exemption agreement* in a form provided by the City as amended from time to time.
- c) Upon execution of the *revitalization tax exemption agreement* between the owner and the City, a *tax exemption certificate* shall be issued and applied to the subject property.

## 8. RECAPTURE OF EXEMPTED TAXES

If a *property* that has benefited from a *tax exemption* under the Revitalization Tax Exemption Program established by this bylaw ceases to meet all the conditions of the *Tax Exemption Certificate*, then the *Tax Exemption Certificate* shall be cancelled and all the taxes which were exempted in respect of that *property* shall be repaid, plus interest, as if the taxes had never been exempted, and the City shall add those taxes to the roll for that property.

Read a first time this 16<sup>th</sup> day of July, 2018

Read a second time this 16<sup>th</sup> day of July, 2018

Notice published pursuant to Section 227 of the *Community Charter* on the 7<sup>th</sup> day of August and the 9<sup>th</sup> day of August, 2018.

Read a third time this 20<sup>th</sup> day of August, 2018

Finally passed and adopted this 4<sup>th</sup> day of September, 2018

\_\_\_\_\_  
Mayor



\_\_\_\_\_  
Corporate Officer



# Downtown Courtenay Revitalization Tax Exemption Areas Schedule A to Bylaw 2937



**SCHEDULE "B"**

**Revitalization Tax Exemption Agreement**

THIS AGREEMENT dated for reference the \_\_\_ day of \_\_\_\_\_, 20\_\_ is

**BETWEEN:**

XXXX  
(the "Owner")

**AND:**

**THE CITY OF COURTENAY**  
830 Cliffe Avenue  
Courtenay, B.C.  
V9N 2J7  
(the "City")

**GIVEN THAT:**

- A. The Owner is the registered owner in fee simple of lands in the City of Courtenay at *[civic address]* legally described as *[legal description]* (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new improvements *[or alter existing improvements]* on the Parcel as described in Appendix "A" attached to and forming part of this agreement (the "Project") and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Owner and the City covenant and agree each with the other as follows:

- 1. **The Project** – the Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, as outlined in the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will:
  - a)
  - b)
- 2. **Operation and Maintenance of the Project** – throughout the term of this agreement, the



Owner shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3. **Revitalization Amount** – In this agreement, “**Revitalization Amount**” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the Parcel resulting from the construction of the Project as described in section 1;
4. **Revitalization Tax Exemption** – subject to fulfilment of the conditions set out in this agreement and in “Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937”, the City shall issue a revitalization tax exemption certificate (the “Tax Exemption Certificate”) to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the Revitalization Amount on the Parcel (the “Tax Exemption”) for the calendar year(s) set out in this agreement.
5. **Conditions** – the following conditions shall be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Project:
  - a) The Owner must obtain a building permit from the City for the Project on or before \_\_\_\_\_, 20\_\_;
  - b) The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached hereto as Appendix “A”.
  - c) The Owner must submit a copy of the Occupancy Permit and Revitalization Tax Exemption Agreement to the City of Courtenay’s Finance Department before the City will issue the Tax Exemption Certificate.
  - d) The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto, as determined by the City’s Urban Planning Manager or designate, in their sole discretion, acting reasonably.

6. **Calculation of Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be equal to *[choose one from below and insert applicable wording]*:
- a) For “Downtown Revitalization Area 1”, 100% of the Revitalization Amount on the Parcel;
  - b) For “Downtown Revitalization Area 2,”
    - i. 100% of the Revitalization Amount on the parcel for Residential Development containing four (4) or more dwelling units;
    - ii. 50% of the Revitalization Amount on the parcel for Commercial developments
7. **Term of Tax Exemption** – provided the requirements of this agreement, and of the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937, are met the Tax Exemption shall be for the taxation years \_\_\_\_\_ to \_\_\_\_\_, inclusive.
8. **Compliance with Laws** – the Owner shall construct the Project and, at all times during the term of the Tax Exemption or any renewal term, use and occupy the Parcel and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.
9. **Effect of Stratification** – if the Owner stratifies the Parcel under the Strata Property Act, then the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:
- a. the current and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
  - b. for the next calendar year and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office after May 1.
10. **Cancellation** – the City may in its sole discretion cancel the Tax Exemption Certificate at any time:
- a. on the written request of the Owner; or
  - b. effective immediately upon delivery of a notice of cancellation to the Owner if at any time any of the conditions in the Tax Exemption Certificate are not met.
  - c. If the Owner is subject to a housing agreement with the City and is not in compliance with the operating agreement.

If such cancellation occurs, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any Tax Exemption received after the cancellation of the Tax Exemption Certificate.

11. **No Refund** – for greater certainty, under no circumstances will the Owner be entitled under the City’s revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
12. **Notices** – any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Parcel, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:

- a. in the case of a notice to the City, at:

THE CITY OF COURTENAY  
830 Cliffe Avenue  
Courtenay, B.C.  
V9N 2J7

Attention:

Fax:

- b. in the case of a notice to the Owner, at:

*[Insert name and address of owner]*

Attention:

Fax:

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

13. **No Assignment** – the Owner shall not assign its interest in this agreement except to a subsequent owner in fee simple of the Parcel.
14. **Severance** – if any portion of this agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this agreement.
15. **Interpretation** – wherever the singular or masculine is used in this agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so require.

16. **Further Assurances** – the parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this agreement.
17. **Waiver** – waiver by the City of a default by the Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
18. **Powers Preserved** – this agreement does not:
  - a. Affect or limit the discretion, rights or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Parcel;
  - b. Affect or limit any enactment relating to the use or subdivision of the Parcel; or
  - c. Relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Parcel and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the City.
19. **Reference** – every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
20. **Enurement** – this agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
21. Any construction of a new improvement or alteration of an existing improvement as of this bylaw undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration
22. The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the Revitalization Amount on the Property between:
  - a. the calendar year before the construction or alteration began, as outlined under Section 1 of this agreement; and
  - b. the calendar year in which the construction or alteration, as outlined under Section 1 of this agreement, is completed.
23. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

Executed by the CITY OF COURTENAY by

Its authorized signatories:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Executed by \_\_\_\_\_ by its

Authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

Appendix "A": Plans and Specifications

Appendix "B": Performance Criteria

SCHEDULE "C"  
Tax Exemption Certificate

Date of Issuance: \_\_\_\_\_ Certificate Number: \_\_\_\_\_

Term: \_\_\_\_\_ Date of Expiry: \_\_\_\_\_

Legal Description: \_\_\_\_\_

Property Address: \_\_\_\_\_

Property Roll Number: \_\_\_\_\_

Increase in Assessed Value: The increase in assessed value the property tax exemption is based on is: **[insert amount of increase resulting from improvements]**

This certificate certifies that the property is subject to a Revitalization Tax Exemption, for each of the taxation years 20\_\_ to 20\_\_ inclusive, equal to **[enter percent of reduction]**% of the Increase in Assessed Value multiplied by the municipal rate of tax in effect for **[enter tax class]**.

1. This Certificate is subject to the condition that:

a) The Owner continuously meet all of its covenants and obligations under the Revitalization Tax Exemption Agreement between the Owner and the City dated \_\_\_\_\_

b) All of the conditions under the Agreement for receipt of a tax exemption continue to be met; and

c) The Agreement is not subject to early termination.

2. If the Certificate is cancelled during a year in which the Owner has received an exemption from taxes, a recapture amount is payable calculated as equal to a percentage of the amount of the exemption with the percentage derived from the period of the taxation year remaining from the date of cancellation.

Effective Date: This certificate does not apply to taxation in a calendar year unless it is issued on or before October 31 of the preceding year.

Issued by: \_\_\_\_\_

Chief Financial Officer