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# **THE CORPORATION OF THE CITY OF PENTICTON**

## **ECONOMIC INVESTMENT ZONES**

### **BYLAW 2010-10**

THE CORPORATION OF THE CITY OF PENTICTON

BYLAW 2010-10

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BYLAW OF THE CORPORATION OF THE CITY OF PENTICTON TO CREATE  
ECONOMIC INVESTMENT ZONES THAT PROVIDE TAX RELIEF AND A  
REDUCTION OF BUILDING PERMIT FEES FOR ELIGIBLE PROJECTS

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WHEREAS the Council wishes to stimulate construction and alteration of buildings within Penticton; and

WHEREAS the Council may provide revitalization tax exemptions under section 226 of the *Community Charter*;

WHEREAS the Council has considered this bylaw in conjunction with the objectives and policies set out under section 165(3.1)(c) of the *Community Charter* in its Financial Plan;

WHEREAS the Council has given notice of the adoption of this bylaw under section 227(3) of the *Community Charter*;

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

**CITATION**

1. This bylaw may be cited as “City of Penticton Economic Investment Zone Bylaw No. 2010-10”.

**ADMINISTRATION**

2. The Director of Development Services is authorized to administer this bylaw.

**DEFINITIONS**

3. In this bylaw, the following terms have the following meanings:

“Building Bylaw” means City of Penticton Building Bylaw No. 94-45 (1994) as amended or superseded from time to time;

“Building Permit” means permission or authorization in writing from the Chief Building Official to perform building work regulated by the Building Bylaw;

“Business License” means a license issued by the City pursuant to the Business License Bylaw;

“Business License Bylaw” means City of Penticton Business License Bylaw 2005-74 as amended or superseded from time to time;

“Chief Building Official” includes the person appointed to that position and a person authorized by the Chief Building Official to perform duties under this bylaw;

“City” means the Corporation of the City of Penticton;

“Construction Value” means the value of the improvements on the eligible property as determined by the Director of Development Services;

“Council” means the Council of the City;

“Current Year Tax Rate: means the tax rate as set by Bylaw and adopted by Council;

“Director of Development Services” includes the person appointed to that position and a person authorized by the Director of Development Services to perform duties under this bylaw;

“Exemption Certificate” means a revitalization tax exemption certificate issued by the City under this bylaw in respect of an eligible property;

“Fees and Charges Bylaw” means City of Penticton Fees and Charges Bylaw No. 2000-25 as amended or superseded;

“Investment Zones” means the Downtown Economic Investment Zone, the Industrial Economic Investment Zone and the Hotel/Motel Economic Investment Zone as defined in s. 4(a) of this bylaw;

“Occupancy Permit” means permission or authorization in writing from the Chief Building Official to occupy a building for its intended purpose;

“Plumbing Permit” means permission or authorization in writing from the Chief Building Official to perform plumbing work regulated by the Building Bylaw;

“Revitalization Tax Exemption Agreement” means an agreement between the City and an owner of an eligible property under this bylaw in respect of the matters described in section 226(7) of the *Community Charter*;

“Zoning Bylaw” means City of Penticton Zoning Bylaw No. 87-65 as amended or superseded.

## **REVITALIZATION TAX EXEMPTION PROGRAM**

4. Council hereby establishes a Revitalization Tax Exemption Program, pursuant to section 226 of the *Community Charter*, as follows:
- (a) The reasons for and objectives of the Revitalization Tax Exemption Program are to stimulate and encourage the construction of new buildings and the significant alteration and improvement of existing buildings within the following areas of the City that the Council considers need revitalization:
- (i) Downtown Economic Investment Zone, being those properties within that part of the City shown shaded red on the plan attached as Schedule "A";
  - (ii) Industrial Economic Investment Zone, being those properties within that part of the City shown shaded blue on the plan attached as Schedule "A";
  - (iii) Hotel/Motel Economic Investment Zone, being those properties within the City that are not in the Downtown Economic Investment Zone or the Industrial Economic Investment Zone, but that are:
    - (A) located within that part of the City shown shaded green on the plan attached as Schedule "A"; or
    - (B) designated in the Zoning Bylaw as C3, C3A, CT1, CT6, or CS.
- (b) The Revitalization Tax Exemption Program is intended to accomplish the Council's objectives by providing property tax relief to persons who undertake eligible construction within the Investment Zones.
- (c) The kinds of property that will be eligible for tax exemptions under the Revitalization Tax Exemption Program are the following:
- (i) Within the Downtown Economic Investment Zone and the Industrial Economic Investment Zone:  
 Properties that are the subject of a Building Permit having a project value, as determined by the Chief Building Official, of \$100,000 or greater, where the Building Permit was issued between February 16, 2010 and December 31, 2011 and an Occupancy Permit is issued on or before December 31, 2013

(ii) Within the Hotel/Motel Economic Investment Zone:

Properties that are the subject of a Building Permit for alteration of an existing hotel or motel having a project value, as determined by the Chief Building Official, of \$100,000 or greater, where the Building Permit was issued between February 16, 2010 and December 31, 2011 and an Occupancy Permit is issued on or before December 31, 2013;

and

Properties that meet all of the following:

- (A) the property is the subject of a Building Permit for construction of new commercial guest accommodation comprising at least 50 guest rooms;
  - (B) the Building Permit was issued between February 16, 2010 and December 31, 2011 and an Occupancy Permit is issued on or before December 31, 2013; and
  - (C) the property is rated as “three stars” or better by the Canada Select accommodation rating program within one year of issuance of the Occupancy Permit.
- (d) The extent of the tax exemptions available under the Revitalization Tax Exemption Program is the municipal property tax increase directly attributable to the value of eligible improvements constructed on eligible properties.
- (e) The amount of the tax exemptions that may be provided under this bylaw in any year is calculated as follows:
- Tax Exemption = Construction Value X Current Year Tax Rate
- Notwithstanding the formula in this clause (e), if further improvements are made to an eligible property during the term of the tax exemption granted under this bylaw, those further improvements are **not** eligible for tax exemption.
- (f) The maximum term of a tax exemption that may be provided under this bylaw is 5 years.

### **REQUIREMENTS FOR ISSUANCE OF AN EXEMPTION CERTIFICATE**

5. Before an Exemption Certificate will be issued under this bylaw for a particular property, the following requirements must be met:
  - (a) the property owner must have been issued an Occupancy Permit in respect of the construction or alteration of the building;
  - (b) all property taxes, including penalties and interest, due and owing in respect of the property must be fully paid; and
  - (c) the property owner must have entered into a Revitalization Tax Exemption Agreement with the City.

### **CONDITIONS WITHIN AN EXEMPTION CERTIFICATE**

6. An Exemption Certificate issued under this bylaw will be subject to the property owner complying with all of the following conditions:
  - (a) in the case of a property within the Hotel/Motel Economic Investment Zone, the property owner must continue to hold a valid Business License for the business carried on within the property;
  - (b) all property taxes, including penalties and interest, that are payable in respect of the eligible property, and all other properties within the City owned by that person, must be fully paid;
  - (c) properties within the Hotel/Motel Economic Investment Zone that are newly constructed as commercial guest accommodation must continue to be rated as “three stars” or better by the Canada Select accommodation rating program; and
  - (d) the property owner must not be in breach of the Revitalization Tax Exemption Agreement.

### **RECAPTURE OF EXEMPTED TAXES**

7. 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 Exemption Certificate, then the 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 Collector shall add those taxes to the roll for that property.

### **BUILDING AND PLUMBING PERMIT FEE REDUCTIONS**

8. Notwithstanding any other bylaw of the City, including the Fees and Charges Bylaw, an owner of a property within an Investment Zone who applies for a Building Permit or a Plumbing Permit in circumstances where the property would qualify for tax relief under this bylaw shall pay only 50% of the Building Permit fee and 50% of the Plumbing Permit fee if the owner at the same time provides security in the form of an irrevocable letter of credit acceptable to the City for the value of the remaining 50% of the Building Permit fee and Plumbing Permit fee.
9. If an Exemption Certificate is issued within one year of issuance of an Occupancy Permit, the security held by the City under section 8 shall be returned to the person who paid it, without interest, notwithstanding that another person may then be the owner of the property. If an Exemption Certificate is not issued within this time frame, the City will draw down the security and apply the monies as the remainder of the Building Permit fee and Plumbing Permit fee.

### **SEVERABILITY**

10. If any section, subsection, clause or phrase of this bylaw is held to be invalid for any reason 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 the bylaw.

### **SCHEDULE**

11. Schedule "A" is attached to and forms an integral part of this bylaw.

READ A FIRST TIME this 15<sup>th</sup> day of February, 2010  
 READ A SECOND TIME this 15<sup>th</sup> day of February, 2010  
 READ A THIRD TIME this 15<sup>th</sup> day of February, 2010  
 RESCINDED THIRD reading this 25<sup>th</sup> day of October, 2010  
 READ A THIRD TIME as amended this 25<sup>th</sup> day of October, 2010  
 ADOPTED this 27<sup>th</sup> day of October, 2010

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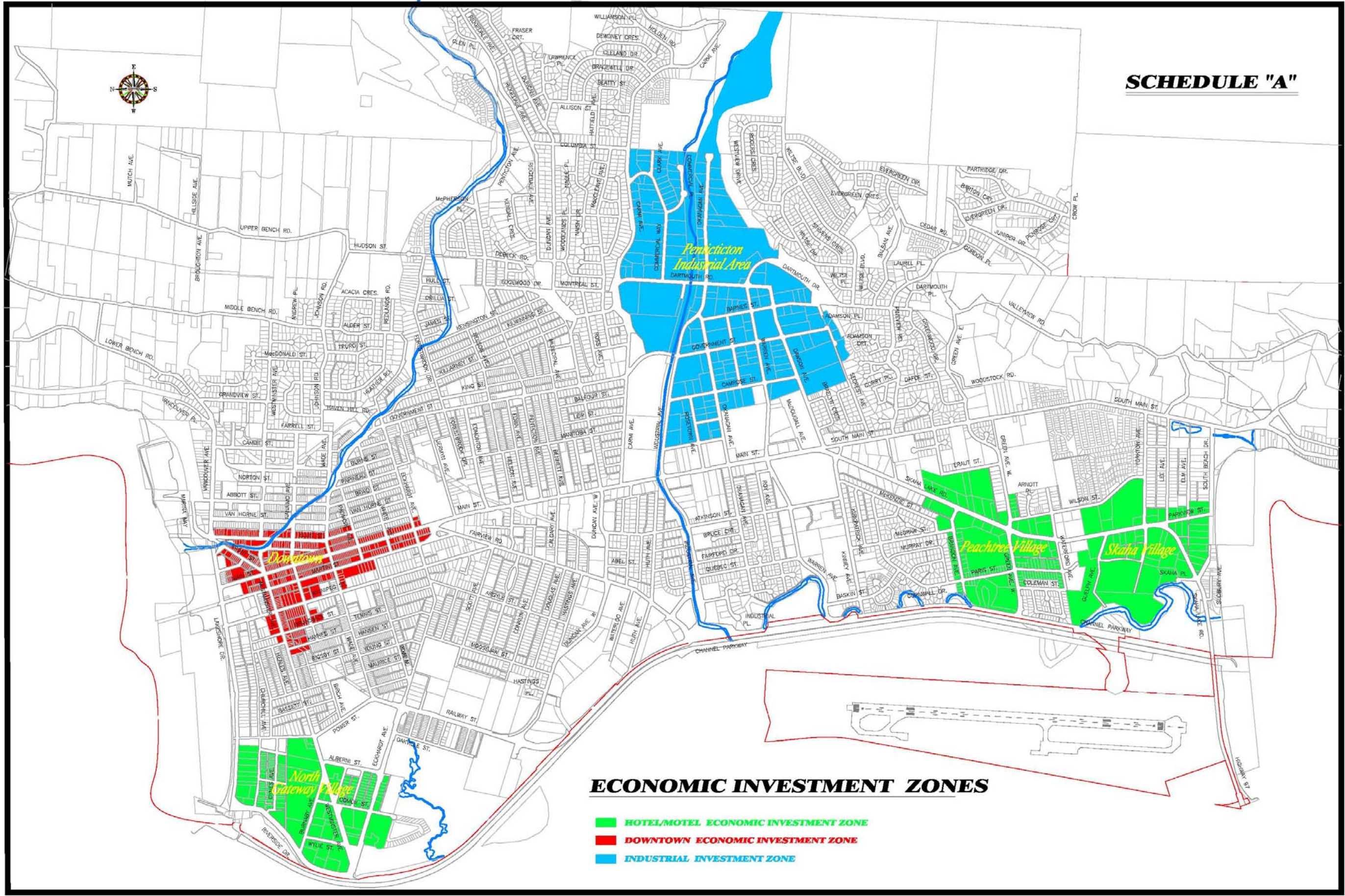
Dan Ashton, Mayor

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Cathy Ingram, City Clerk  
 Manager of Legislative Services



**SCHEDULE "A"**



**ECONOMIC INVESTMENT ZONES**

- Hotel/Motel Economic Investment Zone**
- Downtown Economic Investment Zone**
- Industrial Investment Zone**