

The Corporation of the City of Penticton

Bylaw No. 2015-52

A bylaw to create a revitalization tax exemption for eligible major development projects.

WHEREAS UNDER Section 226 of the *Community Charter*, a Council may, by bylaw, establish a Revitalization Tax Exemption Program to encourage revitalization within the community;

AND 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* ;

AND 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 "Major Development Projects Economic Investment Zone Bylaw No. 2015-52".

ADMINISTRATION

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

DEFINITIONS

3. In this bylaw:

"Building Permit" means permission or authorization in writing from the Chief Building Official to perform building work regulated by the Building Bylaw.

"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.

"Council" means the Council of the City.

"Current Year Tax Rate" means the municipal 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.

"Occupancy Permit" is defined under Zoning Bylaw 2011-23.

"Owner" means, in respect of real property:

- a) the registered owner of an estate in fee simple,
- b) the tenant for life under a registered life estate,
- c) the registered holder of the last agreement for sale, or
- d) the holder or occupier of land held in the manner referred to in section 228 [taxation of crown land used by others] or section 229 [taxation of municipal land used by others], of the *Community Charter*

OBJECTIVES AND RATIONALE

4. Council hereby establishes a Revitalization Tax Exemption Program, pursuant to section 226 of the *Community Charter*, to:
 - a) stimulate and encourage the construction of new buildings and major renovations of existing buildings and other projects that stimulate the economic wellbeing of Penticton;
 - b) encourage revitalization of underutilized areas of Penticton;
 - c) to serve the long term goal of strengthening Penticton's local economy;
5. The Revitalization Tax Exemption Program is intended to accomplish the Council's objectives by providing tax relief for eligible construction of major private sector projects.

ELIGIBLE DEVELOPMENTS

6. Developments shall be eligible for incentives under this bylaw if they are:
 - a) issued a building permit after December 1, 2015; and
 - b) have been issued an Occupancy Permit no later than December 31, 2018.
7. Developments which have a Building Permit value of \$17 Million or more shall be eligible for property and tax improvements incentives of 10 years on the land and 10 years on the improvements unless terminated by cancellation of the Revitalization Tax Exemption Certificate.
8. A maximum of 2 developments shall be eligible for incentives under this bylaw on a first come first served basis.
9. The Revitalization program is established for eligible privately owned or City owned properties within the City of Penticton.

INELIGIBLE DEVELOPMENTS

10. Notwithstanding anything in this Bylaw, the following types of development are ineligible for incentives under this bylaw:
 - Automobile Sales;
 - Single Family dwellings or duplexes;
 - Any use listed on Schedule 2 of the Contaminated Sites Regulations;
 - Lands owned by the Province of BC, Government of Canada or their agencies shall not be eligible for incentives under this bylaw.

EXTENT OF TAX EXEMPTIONS

11. Notwithstanding anything in this bylaw, a development for which construction has started prior to the adoption date of the bylaw but no Occupancy Permit has been issued, shall not be eligible for incentives under this bylaw, regardless of whether or not the improvements meet the eligibility criteria for incentives under this bylaw.
12. Where a property is eligible to receive incentives under more than one Economic Incentive Zone Bylaw (for instance, 2014-04, 2014-44) or this bylaw, the property shall be eligible for only one kind of incentive for revitalization within the City of Penticton under one bylaw.

CALCULATION OF TAX EXEMPTIONS

13. The tax exemption on land for any given year shall be calculated as follows:

$$\text{Tax Exemption} = (\text{Land Value} \times \text{Current Year Tax Rate})$$

14. The tax exemption for any given year shall be calculated as follows:

$$\text{Tax Exemption} = (\text{Construction Value} \times \text{Current Year Tax Rate})$$

REQUIREMENTS FOR ISSUANCE OF EXEMPTION CERTIFICATES

15. Before an Exemption Certificate will be issued under this Bylaw for a particular property, the following requirements must be met:
 - a) an Occupancy Permit for the development which is eligible for incentives under this bylaw must have been issued;
 - b) all property taxes, including penalties and interest due and owing in respect for the property must be fully paid;
 - c) the property owner must have entered into a Revitalization Tax Exemption Agreement with the City; and
 - d) The development must, notwithstanding anything in this bylaw, be substantially completed in accordance with any permits issued under part 26 of the *Local Government Act*.
16. The Exemption Certificate may 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 if:
 - a) a property ceases to meet all the conditions of the Exemption Certificate; or
 - b) the primary business operating within the premises ceases to operate within normal business hours of that industry for more than 30 days;
 - c) the property owner or tenant is in breach of any enactments, laws, statutes regulations or order by any authority having jurisdiction;
 - d) the property owner or tenant is in breach of any federal, provincial, municipal bylaw, laws, permits or approvals;
 - e) the property owner is in breach or arrears with respect to a lease or licence to use payment to the City of Penticton.

SEVERABILITY

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 bylaw.

READ A FIRST time this	19 day of	October, 2015
READ A SECOND time this	19 day of	October, 2015
READ A THIRD time this	19 day of	October, 2015
ADOPTED this	2 day of	November, 2015

Notice of intention to proceed with this bylaw was published on the 23 day of October, 2015 and the 28 day of October, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.



Andrew Jakubeit, Mayor



Dana Schmidt, Corporate Officer