



# Agenda



**Regular Council Meeting**  
to be held at  
**City of Penticton Council Chambers**  
**171 Main Street, Penticton, B.C.**

**Monday, September 28, 2015**  
**Immediately following the Public Hearing at 6:00 p.m.**

1. **Call Regular Council Meeting to Order**
  2. **Introduction of Late Items**
  3. **Adoption of Agenda**
  4. **Adoption of Minutes:**
    - 4.1 Minutes of the September 8, 2015 Committee of the Whole Meeting 1-2 Receive
    - 4.2 Minutes of the September 8, 2015 Public Hearing 3-5 Receive
    - 4.3 Minutes of the September 8, 2015 Regular Council Meeting 6-13 Adopt
  5. **Presentations:**
  6. **Delegations:**
    - 6.1 PenMar Community Arts Society – Kerri Milton 14  
Re: Update
  7. **Reconsideration of Bylaws and Permits:**
    - 7.1 Official Community Plan Amendment Bylaw No. 2015-48 15-16 2<sup>nd</sup>/3<sup>rd</sup>/Adopt  
Re: 476 Lakeshore Dr. W.
    - 7.2 Zoning Amendment Bylaw No. 2015-49 17-18 2<sup>nd</sup>/3<sup>rd</sup>/Adopt  
Re: 476 Lakeshore Dr. W.
    - 7.3 Zoning Amendment Bylaw No. 2015-50 19-20 2<sup>nd</sup>/3<sup>rd</sup>/Adopt  
Re: 619 Burns Street
  8. **Staff Reports:**
    - 8.1 Development Variance Permit PL2015-057 21-33 Del/Sub  
Re: Syer Road  
*Staff Recommendation: THAT Council approve "Development Variance Permit PL2015-057" for Lot 78 to Lot 87, District Lot 2710, Similkameen Division Yale District, Plan KAP92932, located at 1071-1125 Syer Road (Sendero Canyon), a permit to increase the maximum height of a retaining wall from 1.2m at the property line, to 3.0 m (10 ft.). AND THAT staff are directed to issue "Development Variance Permit PL2015-057".*
- BPM

|     |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |         |
|-----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| DDS | 8.2 | <p>Temporary Use Permit PL2015-059<br/> Re: 249 Westminster Avenue West<br/> <u>Staff Recommendation:</u> THAT Council approve "Temporary Use Permit PL2015-059", a permit to allow the use 'motor vehicles sales and rentals' at Lot A, District Lot 4, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District, Plan KAP92015, located at 249 Westminster Avenue West, for a three year period; AND THAT staff are directed to issue the permit.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 34-45   | Del/Sub |
| BPM | 8.3 | <p>Winery Lounge – Quidni Estate Winery<br/> Re: 1465 Naramata Road<br/> <u>Staff Recommendation:</u> THAT Council direct staff to commence public notification of the proposed Winery Lounge Endorsement for Quidni Estate Winery (1014332 BC Ltd.); AND THAT staff report back to Council at their meeting on October 19, 2015 with the results of the public consultation and the Liquor Licensing Technical Review Committee for Council's consideration.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 46-57   |         |
| BS  | 8.4 | <p>Graffiti Management Partnership Agreement<br/> <u>Staff Recommendation:</u> THAT Council support the continuation of the Partnership Agreement with the Downtown Penticton Association for the graffiti removal program for March 2016-March 2017; AND THAT Council provide direction to staff to budget for half of the annual cost of the program for 2016-2017 of \$28,800.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 58-61   |         |
| RS  | 8.5 | <p>Permissive Tax Exemption Amendment Bylaw No. 2015-46<br/> <u>Staff Recommendation:</u> THAT Council give three readings to "Permissive Tax Exemption Amendment Bylaw No. 2015-46".</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 62-72   |         |
| RCM | 8.6 | <p>Extension Agreement for Naramata May Pole Sculpture<br/> <u>Staff Recommendation:</u> THAT Council approve the request from the Regional District of Okanagan Similkameen and the Naramata Community School PAC/Centennial Committee to extend the term for displaying the May Pole Sculpture within the Front Street round-about for an additional six months to March 31, 2016; AND THAT Council authorize the Mayor and Corporate Officer to execute the Extension Agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 73-77   |         |
| DDS | 8.7 | <p>Economic Investment Zone Agreements (2015 completions)<br/> <u>Staff Recommendation:</u> THAT Council enter into Revitalization Tax Exemption Agreements for the following properties:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 198 Ellis Street</li> <li><input type="checkbox"/> 182 Industrial Court</li> <li><input type="checkbox"/> 1374 Commercial Way</li> <li><input type="checkbox"/> 682 Okanagan Avenue</li> <li><input type="checkbox"/> 272 Dawson Avenue</li> <li><input type="checkbox"/> 260 and 270 Martin Street</li> <li><input type="checkbox"/> 1356 Commercial Way</li> <li><input type="checkbox"/> 437 Martin Street</li> <li><input type="checkbox"/> 52 Front Street</li> <li><input type="checkbox"/> 3475 Wilson Street</li> <li><input type="checkbox"/> 1000 Lakeshore Drive</li> </ul> <p>AND THAT the Mayor and Corporate Officer are directed to execute the "Revitalization Tax Exemption Agreements" on behalf of the City.</p> | 78-181  |         |
| PWM | 8.8 | <p>License to Use - Incredible Edible Garden<br/> Re: 2965 South Main Street<br/> <u>Staff Recommendation:</u> 1. THAT Council instruct staff to enter into a short term "License to Use" agreement for a portion of 2965 South Main Street, for the purposes of setting up a Community Garden operated by the Incredible Edible Garden Society; AND THAT the 2015 financial plan be amended for the provision of water and top soil in an amount not to exceed \$2,000.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 182-184 |         |

**Or**

2. THAT Council defer the request to develop a community garden on 2965 South Main Street until such time as a long term Strategic Plan has been developed for the property.

- PWM 8.9 Solid Waste & Recycle Collection – Cart Program 185-192  
*Staff Recommendation:* THAT Council approve the implementation of a cart based solid waste and recycle collection program to be implemented in 2016, the design of such will be based on a review of the residential curbside needs and feedback received; AND THAT Council give first three readings to Loan Authorization Bylaw No. 2015-xx to borrow \$500,000 for thirteen (13) months, to fund a portion of a cart based solid waste and recycle collection program; AND THAT Council approve the use of Multi Material BC funds for the remainder of the costs associated with the program. AND FURTHER THAT once the debt for the capital cost of the cart based collection program is retired that the future Multi Material BC incentives be used as follows:
- \$156,000 be retained in the Solid Waste and Recycle Reserve Fund for the future cart replacement or related use; and
  - The remainder be used to offset the recycle fees levied on the rate payers.
- CO 8.10 Committee Terms of Reference 193-200  
Re: Parks and Recreation Master Plan Steering Committee & Heritage and Museum Committee  
*Staff Recommendation:* 1. THAT Council approve the Parks and Recreation Masterplan Steering Committee Terms of Reference dated September 28, 2015.
2. That Council approve the amendment to the Heritage and Museum Committee Terms of Reference to add that organizations may request the addition of alternate appointments to the Committee.
- CFO 8.11 Community Grants 201-226  
*Staff Recommendation:* THAT Council replace the existing Community Grants Policy, dated for reference August 18, 2014, with the revised Community Grants Policy included as Attachment A.
9. **Correspondence**
- 9.1 Petition – Resident only parking 1300 block of Leir Street 227-228
10. **Committee and Board Reports**
- 10.1 Arts, Creative and Cultural Innovations Committee meeting of September 10, 2015 229-233  
*Recommendation:* THAT Council receive the minutes of the Arts, Creative and Cultural Innovations Committee meeting of September 10, 2015.
- Committee Recommendation:* THAT Council support the City of Penticton's membership with the Creative City Network of Canada and the attendance of a representative at the summit being held in Kelowna, BC on October 27-29, 2015; AND THAT Staff be directed to pay the membership fee of \$418.00 and \$645.00 for a representative to attend the summit, with the fees to be paid from the Public Art Reserve.
- 10.2 Downtown Revitalization Sub-Committee meeting of September 11, 2015 234-235  
*Recommendation:* THAT Council receive the minutes of the Downtown Revitalization Sub-Committee meeting of September 11, 2015.
- 10.3 Transportation Advisory Committee meeting of September 15, 2015 236-238  
*Recommendation:* THAT Council receive the minutes of the Transportation Advisory Committee meeting of September 15, 2015.
- Committee Recommendation:* THAT Council support the relocation of the existing parking lane on Government Street from Industrial Avenue to Okanagan Avenue East from the west side of Government to the east side of Government where it will be reconfigured as a parking/loading zone as presented by Staff at the September 15,

*2015 Transportation Committee Meeting; AND THAT Council direct Staff to notify businesses affected by the relocation to adjust the manner in which their deliveries are handled to make use of the allocated loading zone; AND THAT Council direct the Bylaw Department to enforce the 'no parking in a bike lane' Traffic Bylaw once the parking lane is relocated.*

- 10.4 Heritage and Museum Committee meeting of September 17, 2015 239-241  
*Recommendation: THAT Council receive the minutes of the Heritage and Museum Committee meeting of September 17, 2015.*

- 11. **Notice of Motion**
- 12. **Other Business**
- 13. **RDOS Update**
- 14. **Business Arising from In-Camera**
- 15. **Media and Public Question Period**
- 16. **Adjournment**

# Minutes

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## Committee of the Whole

held at City of Penticton Council Chambers  
171 Main Street, Penticton, B.C.

Tuesday, September 8, 2015  
at 2:00 p.m.

**Present:** Mayor Jakubeit  
Councillor Konanz  
Councillor Sentes  
Councillor Picton  
Councillor Martin  
Councillor Sayeed  
Councillor Watt

**Staff:** Eric Sorensen, Chief Administrative Officer  
Colin Fisher, Chief Financial Officer  
Mitch Moroziuk, Director of Operations  
Dana Schmidt, Corporate Officer  
Simone Blais, Communications Officer  
Len Robson, Public Works Manager  
Lori Mullin, Recreation Manager  
Gillian Kenny, Human Resources Manager

### 1. Call to order

The Mayor called the Committee of the Whole meeting to order at 2:01 p.m.

### 2. Adoption of Agenda

#### **It was MOVED and SECONDED**

THAT the agenda for the Committee of the Whole meeting held on September 8, 2015 be adopted as circulated.

**CARRIED UNANIMOUSLY**

### 3. Presentations

#### 3.1 Solid Waste and Recycle Collection – Cart Program

The Public Works Manager presented Council with an overview of the Solid Waste and Recycle Collection – Cart Program. A staff report on this program will be provided on the September 28<sup>th</sup> regular agenda.

**4. Media and Public Question Period**

**5. Adjournment**

**It was MOVED and SECONDED**

THAT the Committee of the Whole adjourn at 2:41 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* sections 90 (1) as follows:

- (c) labour relations or other employee relations;
  - (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality;
  - (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act;
- 90.2(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

**CARRIED UNANIMOUSLY**

Certified correct:

Confirmed:

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Dana Schmidt  
Corporate Officer

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Andrew Jakubeit  
Mayor

# Minutes

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**Public Hearing**  
**City of Penticton, Council Chambers**  
**171 Main Street, Penticton, B.C.**

**Tuesday, September 8, 2015**  
**at 6:00 p.m.**

**Present:** Mayor Jakubeit  
Councillor Sentes  
Councillor Martin  
Councillor Watt  
Councillor Picton  
Councillor Konanz  
Councillor Sayeed

**Staff:** Eric Sorensen, City Manager  
Dana Schmidt, Corporate Officer  
Colin Fisher, Chief Financial Officer  
Blake Laven, Planning Manager  
Lori Mullin, Acting GM Recreation Services  
Simone Blais, Communications Officer  
Angie Collison, Deputy Corporate Officer

**1. Call to order**

Mayor Jakubeit called the public hearing to order at 6:00 p.m. for the "Zoning Amendment Bylaw No. 2015-45". He explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council.

The Corporate Officer read the opening statement and introduced the purpose of the bylaw. She then explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act* and that Council would also hear from those whose interests may be affected by the related Development Variance Permit PL2015-044. The DVP is a permit to reduce the minimum interior yard setback from 3.0m to 1.5m and to reduce the minimum rear yard setback from 6m to 1.5m.

**"Zoning Amendment Bylaw No. 2015-45"**

The purpose of the Zoning Amendment Bylaw is to amend "Zoning Bylaw 2011-23" as follows:

Rezone Lot 2, District Lot 116, Similkameen Division Yale District, Plan 9696 located at 2922 Wilson Street, from RD1 (Duplex Housing) to RM2 (Low

Density Multiple Housing) and site specific amendment to increase the maximum density from 0.75 FAR to 0.92 FAR.

The applicant intends to develop a strata, multi-family project with one duplex building facing Wilson Street and one single family dwelling and a duplex facing the lane. The development will have a total of five units.

The Corporate Officer advised that written correspondence has been received after the printing of the agenda and distributed to Council.

The Planning Manager provided Council with an overview of the zoning amendment.

### **DELEGATIONS**

Mayor Jakubeit asked the public for the first time if anyone wished to speak to the application.

- Applicant, Joe Walters, explained that the design is based on the new cluster housing provisions.
- Angela Corman, representing her parents that own parcels in the area, explained that her family is not against densification, concerned with cluster housing in this location. Not sure if these units will qualify as affordable housing, what is the demand, area doesn't have an area plan, there is a risk to approving lot by lot development. Argue this is a change from what is there now, there aren't post-modern type structures. Concerned with parking for five units, doesn't afford parking for visitors. Suggest Council respect the setbacks that are in place, don't allow for variance as it should be for awnings, not to densify the lot. Carefully reviewed the OCP and zoning bylaw, make sure parking available, primary access will be off an unpaved lane, recommend Council visit Wilson Street to see what is being proposed.
- Henry Kasper, Arnott Place, spoke in opposition to the project, surprised three units face back lane, problems for City like snow removal in winter and garbage containers. Site lines exiting back lane, developer proposes tree in site line, contravention of bylaw. Parking problems if leave car out, only six or seven feet from back lane, cars will stick out into back lane. If build with boxed in stairs, it will block view, won't see until car is in back lane. Stick with present zoning, too many units for the space. Going to be within feet of property line, green space will be size of postage stamp, garbage and water flooding problems not being addressed.
- Trina Anderson, Arnott Place, directly affected as three units will face into our backyard. Developer was encouraged to discuss with neighbours but did not discuss with us or our neighbours. When we asked we were told this is how it's done in Vancouver. Developer did not seek consent from the people who live here. Concerned with flooding, something is wrong with the sewer system, it is fixed after every rain storm. Three storeys will block our natural light, vegetable garden will be affected. Developer assumes only one car each per home, where will second vehicles park? Lane will be congested, how will garbage be picked up with congested lane, how will traffic in area be addressed?

Mayor Jakubeit asked the public for the second time if anyone wished to speak to the application.

- No one spoke.

Mayor Jakubeit asked the public for the third and final time if anyone wished to speak to the application.



- Angela Cormano, concern with additional parking on Wilson Street. Variances aren't for design they are for foot print, goes against intent of bylaws. Five units are too many, too many amendments and variances to bylaw to make this development go through. Visitors will park in the lane, not reasonable; will be a parking congestion nightmare.
- Judy Shines, Yorkton Avenue, units are facing an alley, City doesn't plough lanes, people that buy these types of town homes do have two cars.
- Applicant, parking, units do have one stall and a garage. We will employ a geo tech engineer to manage water that floods property. We will be required to pave the lane, improve boulevards, and upgrade sewer and water systems that directly affect our development. Will work out garbage collection with the City; pay for as a strata multi family. Alley will be the front yards of three of the residences, main living space is to back yard, when we put the house in it will align with side yard. Neighbourhood outreach, spoke with 3 neighbours to the left, and two other neighbours. Have shadowing analysis to see if blocking the sun from neighbours.

The public hearing for "Zoning Amendment Bylaw No. 2015-45" was terminated at 6:50 p.m. and no new information can be received on this matter.

Certified correct:

Confirmed:

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Dana Schmidt  
Corporate Officer

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Andrew Jakubeit  
Mayor

# Minutes

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## **Regular Council Meeting** held at City of Penticton Council Chambers 171 Main Street, Penticton, B.C.

**Tuesday, September 8, 2015**  
**Following the Public Hearing at 6:00 p.m.**

**Present:** Mayor Jakubeit  
Councillor Konanz  
Councillor Martin  
Councillor Picton  
Councillor Watt  
Councillor Sayeed  
Councillor Sentes

**Staff:** Eric Sorensen, City Manager  
Dana Schmidt, Corporate Officer  
Colin Fisher, Chief Financial Officer  
Blake Laven, Planning Manager  
Lori Mullin, Acting GM Recreation Services  
Mitch Moroziuk, Director of Operations  
Simone Blais, Communications Officer  
Angie Collison, Deputy Corporate Officer

### **1. Call to Order**

The Mayor called the Regular Council meeting to order at 6:51 p.m.

### **2. Introduction of Late Items**

### **3. Adoption of Agenda**

442/2015

#### **It was MOVED and SECONDED**

THAT Council adopt the agenda for the Regular Council meeting held on September 8, 2015 as presented.

**CARRIED UNANIMOUSLY**

### **4. Adoption of Minutes**

#### **4.1 Minutes of the August 17, 2015 Public Hearing**

443/2015

#### **It was MOVED and SECONDED**

THAT Council receive the minutes of the August 17, 2015 Public Hearing as presented.

**CARRIED UNANIMOUSLY**

4.2 Minutes of the August 17, 2015 Regular Council Meeting

444/2015

**It was MOVED and SECONDED**

THAT Council adopt the minutes of the August 17, 2015 Regular Council Meeting as amended.

**CARRIED UNANIMOUSLY**

**5. Presentations**

5.1 Proclamation – Prostate Cancer Awareness Month

Re: September 2015

Mayor Jakubeit proclaimed September 2015 as “Prostate Cancer Awareness Month” in the City of Penticton.

**6. Delegations**

6.1 Lee Keller

Re: Wine in Grocery Stores

Mr. Keller and other local liquor store owners requested that Council pass a bylaw that regulates the proximity of liquor outlets.

Council agreed by consensus that staff will meet with concerned parties and report back with options.

6.2 James Palanio

Re: Speed Control on Lee Avenue

Mr. Palanio presented a neighbourhood petition requesting speed controls on Lee Avenue.

Council agreed by consensus that staff bring back options to address speeding on Lee Avenue.

**7. Reconsideration of Bylaws and Permits**

7.1 Zoning Amendment Bylaw No. 2015-45

Re: 2922 Wilson Street

445/2015

**It was MOVED and SECONDED**

THAT Council approve changing the zoning from RD1 to RM2 and deny the variances for 2922 Wilson Street.

**DEFEATED**

**Mayor Jakubeit, Councillors Konanz, Sentes, Martin, Opposed**

446/2015

**It was MOVED and SECONDED**

THAT Council give second and third reading to “Zoning Amendment Bylaw No. 2015-45”.

**CARRIED**

**Councillors Sayeed, Watt, Picton, Opposed**

- 7.2 Zoning Amendment Bylaw No. 2015-15  
Re: 783 Winnipeg Street (0.9 m road dedication complete)

447/2015

**It was MOVED and SECONDED**

THAT Council adopt "Zoning Amendment Bylaw No. 2015-15".

**CARRIED UNANIMOUSLY**

**8. Staff Reports**

- 8.1 Development Variance Permit PL2015-034  
Re: 163 – 321 Yorkton Avenue (Garage)

Delegations/Submissions:

- Marilyn Bishop, Yorkton Avenue, originally spoke against the DVP, has since found out more information and is no longer opposed.

448/2015

**It was MOVED and SECONDED**

THAT Council approve "Development Variance Permit PL2015-034" for Lot 1, District Lot 189, Similkameen Division Yale District, Plan 9211 located at #163-321 Yorkton Avenue, a permit to vary the following provisions of Mobile Home Park Bylaw 92-21:

- Decrease the minimum side yard setback of 1.5m to 0.8m for the location of a garage
- Increase the number of accessory buildings from one to two
- Increase the height of an accessory building from 2.5m to 3.7m and increase the size of an accessory building from 10m<sup>2</sup> to 32m<sup>2</sup>;

AND THAT staff be directed to issue "Development Variance Permit PL2015-034".

**CARRIED UNANIMOUSLY**

- 8.2 Budget Transfer – Cast Iron Water Main Cleaning and Inspection to Geographic Information System Development of the Water Infrastructure

449/2015

**It was MOVED and SECONDED**

THAT Council amend the 2015 budget to reallocate the balance of \$233,933.37 from work order CAP40014-001 Cast Iron Water Main Cleaning and Inspection to a new work order for the purpose of implementing a Water Utility GIS.

**CARRIED UNANIMOUSLY**

- 8.3 Downtown Economic Incentive Zone (EIZ) Amendment Bylaw No. 2015-47

450/2015

**It was MOVED and SECONDED**

THAT Council approve a textual amendment to Schedule A of the Downtown Economic Investment Zone Bylaw No. 2014-04 to correct a typographical error in the original drafting and replace the "Term of Tax Exemption" for Grocery Store from 20 years to 10 years; AND THAT Council gives first, second and third reading to the "Downtown Economic Investment Zone Amendment Bylaw No. 2015-47".

**CARRIED UNANIMOUSLY**

8.4 OCP Amendment Bylaw No. 2015-48 and Zoning Amendment Bylaw No. 2015-49  
Re: 476 Lakeshore Drive West

451/2015

**It was MOVED and SECONDED**

THAT prior to consideration of the bylaw and in accordance with Section 879 of Local Government Act, Council considers whether early and on-going consultation, in addition to the required Public Hearing, is necessary with:

1. One or more persons, organizations or authorities;
2. The Regional District of Okanagan Similkameen;
3. Local First Nations;
4. School District #67; and
5. The provincial or federal government and their agencies.

AND THAT it is determined that the Public Hearing is sufficient consultation; AND THAT "OCP Amendment Bylaw No. 2015-48", being a bylaw to amend "OCP Bylaw 2002-20" changing the OCP designation on Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive W, shown as Attachment 'C' of this report, from LR (Low Density Residential) to MFLD (Multi Family Low Density) be given first reading and be forwarded to the September 28, 2015 Public Hearing;

THAT "Zoning Amendment Bylaw No. 2015-49", a bylaw to amend Zoning Bylaw 2011-23 to rezone Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive W, from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing) with a site specific zoning amendment to increase the maximum density from 0.75 FAR to 0.85 FAR, be given first reading and be forwarded to the September 28, 2015 Public Hearing;

THAT Council support "Development Variance Permit PL2015-047" for Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive W, a permit to reduce the minimum interior yard setback from 3.0m to 2.2m for the principal building and from 3.0m to 1.5m for an accessory building, to reduce the minimum rear yard setback from 6m to 1.5m for an accessory building and to increase the maximum lot coverage on the site from 40% to 42%;

AND THAT delegations and submissions be heard for "Development Variance Permit PL2015-047" during the September 28, 2015 Public Hearing;

AND THAT staff are directed to issue DVP PL2015-047, subject to adoption of "Zoning Amendment Bylaw No. 2015 -49".

**CARRIED UNANIMOUSLY**

8.5 Zoning Amendment Bylaw No. 2015-50 and DVP PL2015-051  
Re: 619 & 631 Burns Street

452/2015

**It was MOVED and SECONDED**

THAT "Zoning Amendment Bylaw No. 2015-50", a bylaw to amend Zoning Bylaw 2011-23 to rezone a portion of Lot 18, Block 29, District Lot 202, Similkameen Division Yale District, Plan 755, located at 619 Burns Street, from RD2 (Duple Housing: Lane) to RM2 (Low Density Multiple Housing), be given first reading and forwarded to the September 28, 2015 Public Hearing;

THAT Council approve "Development Variance Permit PL2015-051" for Lot 18, Block 29, District Lot 202, Similkameen Division Yale District, Plan 755, located at **619** Burns Street, a

permit to reduce the lot width from 13m to 9.5m and to reduce the lot area from 390m<sup>2</sup> to 290m<sup>2</sup>;

AND THAT Council approve "Development Variance Permit PL2015-051" for Lot 17, Block 29, District Lot 202, Similkameen Division Yale District, Plan 755, located at **631** Burns Street, a permit to reduce the interior setback from 3.0m to 1.2m and to reduce the lot area from 670m<sup>2</sup> to 565m<sup>2</sup>, in order to facilitate a lot line adjustment, while retaining one developable lot for duplex housing,

AND THAT staff are directed to issue "DVP PL2015-051", subject to adoption of "Zoning Amendment Bylaw No.2015-50".

**CARRIED UNANIMOUSLY**

8.6 Municipal Insurance Association (MIA) of BC  
Re: Appointment of Voting Delegates

453/2015

**It was MOVED and SECONDED**

THAT Council appoint Mayor Andrew Jakubeit as the Voting Delegate for the Municipal Insurance Association of BC;

AND THAT Council appoints Councillor Helena Konanz and Chief Administrative Officer Eric Sorensen as Alternate Delegates for the Municipal Insurance Association;

AND THAT Council appoints Colin Fisher, Chief Financial Officer for the City of Penticton, as primary contact with the Municipal Insurance Association.

**CARRIED UNANIMOUSLY**

8.7 City Audit Proposals

454/2015

**It was MOVED and SECONDED**

THAT Council appoint BDO Canada LLP as the City's Auditor for a 3 year term with the option to extend the Service Agreement for up to two (2) additional years, on one-year increments.

**CARRIED UNANIMOUSLY**

8.8 Banking Services Agreement

455/2015

**It was MOVED and SECONDED**

THAT Council approve the renewal of the current Banking Services Agreement with Valley First Credit Union;

AND THAT Council authorize the Mayor and Corporate Officer to execute the renewal.

**CARRIED UNANIMOUSLY**

**9. Correspondence**

9.1 RDOS

Re: Prevention of Quagga/Zebra Mussels entering Waterways

456/2015

**It was MOVED and SECONDED**

THAT Council receive the letter dated August 20, 2015 from the RDOS requesting member municipalities consider endorsement and provide inventories to be included in overall South Okanagan inventory of Quagga/Zebra signage; AND THAT Council direct staff to provide signage inventory.

**CARRIED UNANIMOUSLY**

- 9.2 Petition – 500 block of Braid Street  
Re: Resident Parking Permit Program

457/2015

**It was MOVED and SECONDED**

THAT Council refer to staff the petition requesting residential parking permit program for the 500 block of Braid Street.

**CARRIED UNANIMOUSLY**

**10. Committee and Board Reports**

- 10.1 Arts, Creative and Cultural Innovations Committee meeting of August 13, 2015

458/2015

**It was MOVED and SECONDED**

THAT Council receive the minutes of the Arts, Creative and Cultural Innovations Committee meeting of August 13, 2015.

**CARRIED UNANIMOUSLY**

- 10.2 Heritage and Museum Committee meeting of August 20, 2015

459/2015

**It was MOVED and SECONDED**

THAT Council receive the minutes of the Heritage and Museum Committee meeting of August 20, 2015.

**CARRIED UNANIMOUSLY**

460/2015

**It was MOVED and SECONDED**

THAT Council direct staff to include \$8,000 for consideration in the 2016 Parks Capital Budget for four (4) historical information signs to be located at the Three Mile Log Chute, KVR Trail by Riddle Road, Poplar Grove trail head and the Rose Garden.

**CARRIED UNANIMOUSLY**

- 10.3 Tourism Development Task Force meeting of August 20, 2015

461/2015

**It was MOVED and SECONDED**

THAT Council receive the minutes of the Tourism Development Task Force meeting of August 20, 2015.

**CARRIED UNANIMOUSLY**

Councillor Sayeed declared a conflict of interest and left the meeting at 8:11 p.m.

462/2015

**It was MOVED and SECONDED**

WHEREAS the City was incorporated on April 30, 1948; AND WHEREAS the City celebrates Canada Day and BC Family Day; NOW THEREFORE BE IT RESOLVED THAT Council support the Festival & Events Committee's recommendations to celebrate Penticton's birthday in the month of April in partnership with local nonprofits such as the Downtown Penticton Association, Rotary Club and the South Okanagan Immigrant and Community Services; AND THAT Canada Day and BC Family Day events continue in the previous format.

**CARRIED**

**Councillor Martin, Opposed**

Councillor Sayeed returned to the meeting.

463/2015

**It was MOVED and SECONDED**

THAT Council direct staff to amend the grant application process for the 2017 grant cycle to prepare applicants for the addition and completion of the STEAM questionnaire in order to provide valuable economic and tourism information to the Penticton Hospitality Association and Tourism Penticton.

**CARRIED UNANIMOUSLY**

10.4 Waterfront Revitalization Sub-committee meeting of August 25, 2015

464/2015

**It was MOVED and SECONDED**

THAT Council receive the minutes of the Waterfront Revitalization Sub-Committee meeting of August 25, 2015.

**CARRIED UNANIMOUSLY**

465/2015

**It was MOVED and SECONDED**

THAT Council direct staff to complete the concept designs for the Kiwanis Pier Park area and walkway.

**CARRIED UNANIMOUSLY**

10.5 Downtown Revitalization Sub-committee meeting of August 27, 2015

466/2015

**It was MOVED and SECONDED**

THAT Council receive the minutes of the Downtown Revitalization Sub-Committee meeting of August 27, 2015.

**CARRIED UNANIMOUSLY**

**11. Notice of Motion**

**12. Other Business**

Notice of Motion presented by Mayor Jakubeit at the August 17, 2015 Council Meeting:

467/2015

**It was MOVED and SECONDED**

WHEREAS, the time has come to renew our vision for parks in the City of Penticton;

WHEREAS, a Parks Master Plan is a guiding document that helps articulate how to achieve the vision for parkland and green space;

WHEREAS, master plans are best founded on significant consultation with the community;

NOW, THEREFORE BE IT RESOLVED:

THAT Council direct staff to initiate a Parks and Recreation Master Plan process;

THAT Council direct staff to develop terms of reference for the master plan process;

THAT Council direct staff to undertake broad-based public engagement as part of the Parks and Recreation Master Plan process; and

THAT Council direct staff to draft terms of reference for the proposed Parks Master Plan Select Committee.

**CARRIED UNANIMOUSLY**



- 13. RDOS Update**
- 14. Business Arising from In-Camera**
- 15. Media and Public Question Period**
- 16. Adjournment**

468/2015

**It was MOVED and SECONDED**

THAT Council adjourn the Regular Council meeting held on Tuesday, September 8, 2015 at 8:44 p.m.

**CARRIED UNANIMOUSLY**

Certified correct:

Confirmed:

---

Dana Schmidt  
Corporate Officer

---

Andrew Jakubeit  
Mayor



SEP 21 2015

## REQUEST TO APPEAR AS A DELEGATON

COUNCIL DATE:

Sept 28/15

(Select one)



COUNCIL



IN-CAMERA COUNCIL



COUNCIL COMMITTEE

NAME OF PERSON(S) MAKING PRESENTATION:

Penmar Community Arts Society

ADDRESS:

361 Martin  
Street

PHONE:

250-486-5455

EMAIL:

Kerri@penmar.ca

DETAILS OF PRESENTATION:

|                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------|
| The Penmar Community Arts Society is coming to report back to the City as to the newest developments and how the project is going. |
|                                                                                                                                    |
|                                                                                                                                    |
|                                                                                                                                    |
|                                                                                                                                    |
|                                                                                                                                    |

### PLEASE NOTE:

- PowerPoint presentations must be provided on a CD, memory stick or by email no later than 9:30 a.m. the date of the meeting.
- Written copies of your submission must be presented to the Corporate Officer by 9:30 a.m. on the Wednesday before the meeting either by email, fax or in person.

#### Corporate Office

Dana Schmidt, Corporate Officer  
171 Main Street, Penticton, BC V2A 5A9

Phone: 250-490-2405

Fax: 250-490-2402

[dana.schmidt@penticton.ca](mailto:dana.schmidt@penticton.ca)

**Bylaw No. 2015-48**

*A Bylaw to Amend Official Community Plan Bylaw 2002-20*

---

WHEREAS the Council of the City of Penticton has adopted an Official Community Plan Bylaw pursuant to Section 903 of the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Official Community Bylaw 2002-20;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as "Official Community Plan Amendment Bylaw No. 2015 -48".

2. **Amendment:**

"Official Community Plan Bylaw No. 2002-20" is hereby amended as follows:

2.1 Amending Schedule 'B' Future Land Use to change the land use designation of that portion of Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive West, from LR (Low Density Residential) to MFLD (Multi Family Low Density) as shown in Schedule A.

2.2 Schedule "A" attached hereto forms part of this bylaw.

READ A FIRST time this 8 day of September, 2015

A PUBLIC HEARING was held this 28 day of September, 2015

READ A SECOND time this day of , 2015

READ A THIRD time this day of , 2015

ADOPTED this day of , 2015

Notice of intention to proceed with this bylaw was published on the 18 day of September, 2015 and the 23 day of September, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

---

Andrew Jakubeit, Mayor

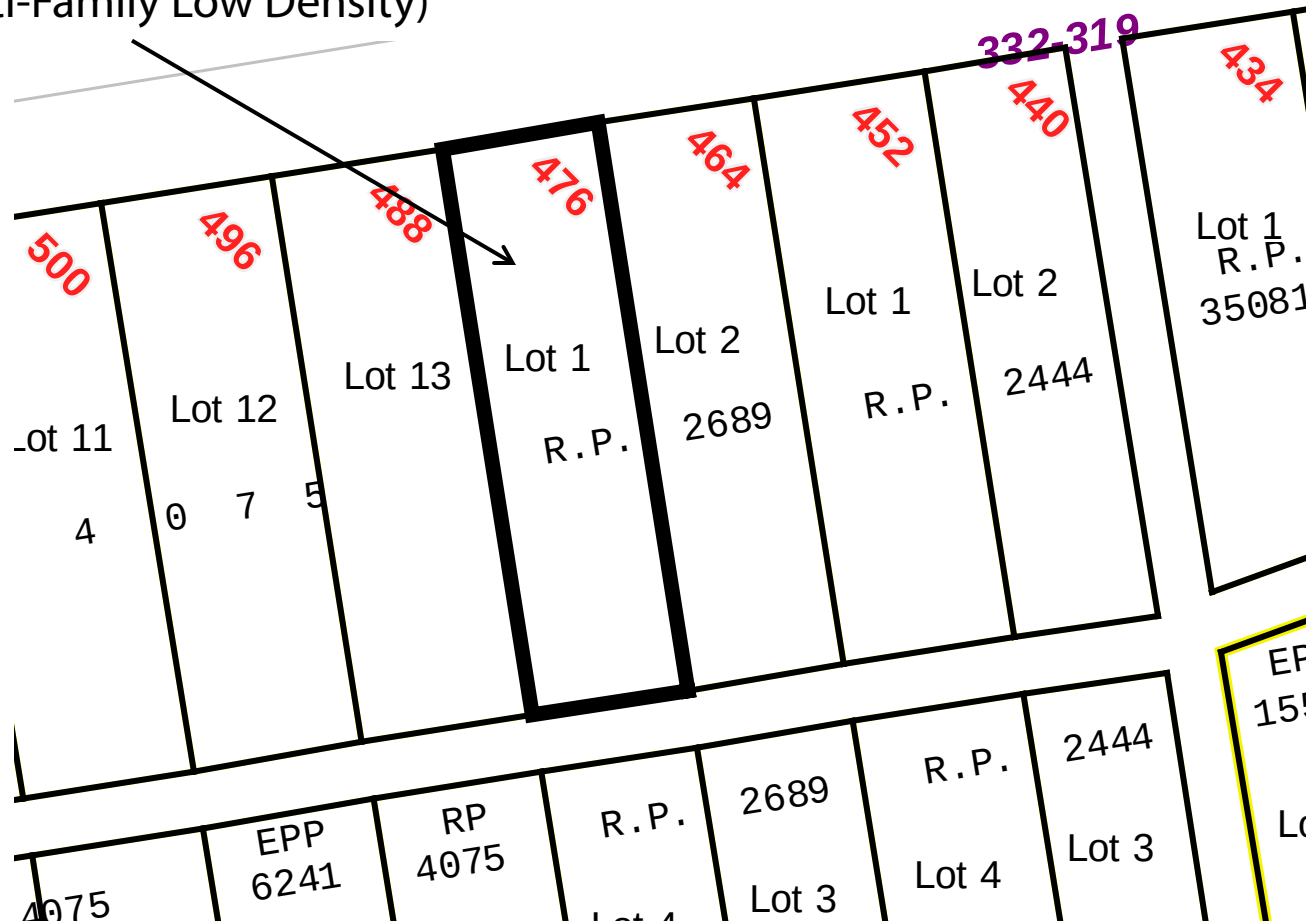
---

Dana Schmidt, Corporate Officer

## Amend OCP from LR (Low Density Residential) to MFLD (Multi-Family Low Density)

**LAKESHORE DR W 100-524**

- 16 -



# Official Community Plan Amendment Bylaw No. 2015-48

Date: \_\_\_\_\_

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

**Bylaw No. 2015-49**

*A Bylaw to Amend Zoning Bylaw 2011-23*

---

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw 2011-23;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as "Zoning Amendment Bylaw No. 2015-49".

2. **Amendment:**

Zoning Bylaw 2011-23 is hereby amended as follows:

2.1 Rezone Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive West, from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing).

2.2 Add 10.8.4 Site Specific Provisions

.3 In the case of Lot 1, District Lot 4, Group 7, Similkameen Division Yale District, Plan 2689, located at 476 Lakeshore Drive West, the maximum density shall be 0.85 FAR.

2.3 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this 8 day of September, 2015

A PUBLIC HEARING was held this 28 day of September, 2015

READ A SECOND time this day of , 2015

READ A THIRD time this day of , 2015

ADOPTED this day of , 2015

Notice of intention to proceed with this bylaw was published on the 18 day of September, 2015 and the 23 day of September, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

---

Andrew Jakubeit, Mayor

---

Dana Schmidt, Corporate Officer

- 18 -

- 
- Drive W.
- (Small Lot  
M2 (Low Density  
g)
- ing amendment  
maximum density  
0.85 FAR
- LAKESHORE DR W 100-524
- 488 476 464 452 440 434
- Lot 11 Lot 12 Lot 13 Lot 1 Lot 2 Lot 1 Lot 2
- 4 0 7 5 2689 R.P. 2444
- 4075 EPP 6241 RP 4075 R.P. 2689 R.P. 2444
- Lot 4 Lot 3 Lot 4 Lot 3
- EP 15

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

**Bylaw No. 2015-50**

*A Bylaw to Amend Zoning Bylaw 2011-23*

---

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw 2011-23;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as "Zoning Amendment Bylaw 2015-50".

2. **Amendment:**

2.1 Zoning Bylaw 2011-23 Schedule 'A' is hereby amended as follows:

Rezone a portion of Lot 18, Block 29, District Lot 202, Similkameen Division Yale District, Plan 755, located at 619 Burns Street, from RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing).

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this                      8    day of                      September, 2015

A PUBLIC HEARING was held this            28    day of                      September, 2015

READ A SECOND time this                    day of                                      , 2015

READ A THIRD time this                    day of                                      , 2015

ADOPTED this                                    day of                                      , 2015

Notice of intention to proceed with this bylaw was published on the 18 day of September, 2015 and the 23 day of September, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

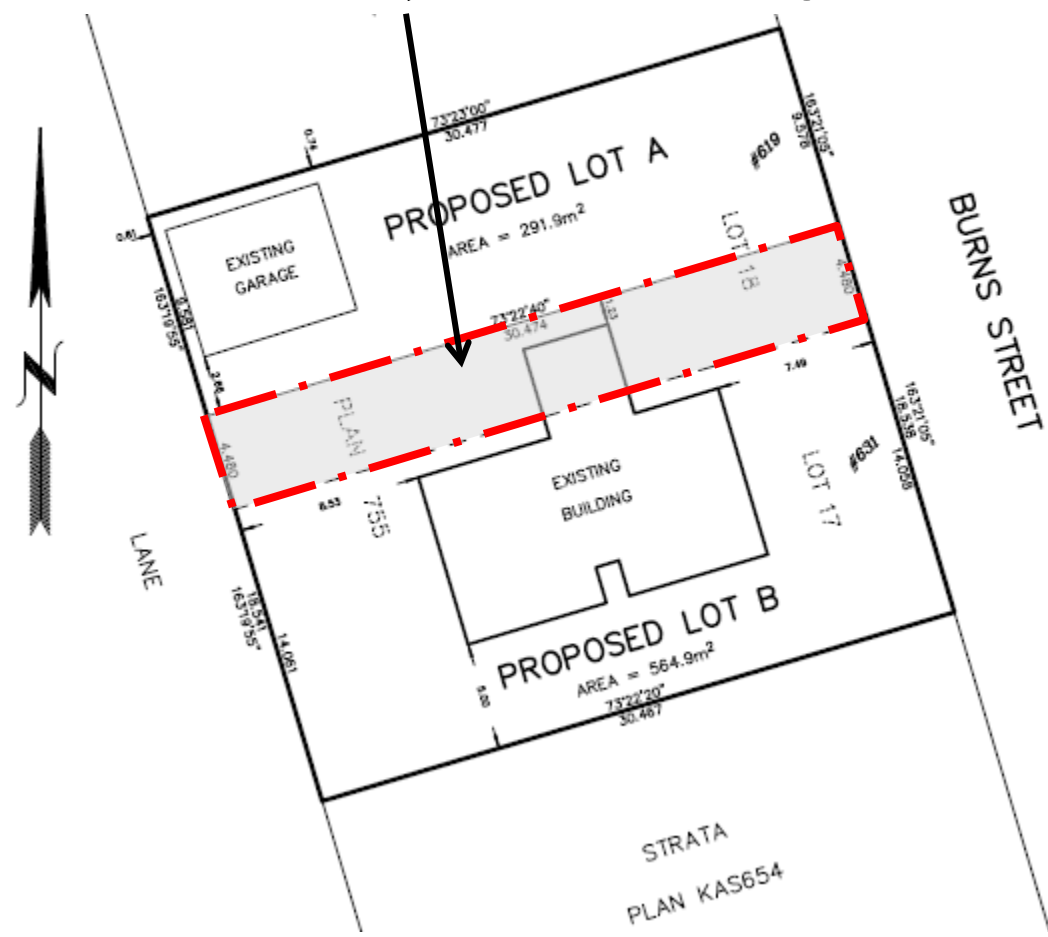
---

Andrew Jakubeit, Mayor

---

Dana Schmidt, Corporate Officer

Rezone a portion of 619 Burns Street from RD2 (Duplex Housing: Lane)<sub>20-</sub> to RM2 (Low Density Multiple Housing)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2015-50

Date: \_\_\_\_\_

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



# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Lindsey Fraser, Planner I

**File No:** DVP PL2015-057

**Address:** 1071, 1077, 1083, 1089, 1095, 1101, 1107, 1113, 1119, and 1125 Syer Road

**Subject:** Development Variance Permit PL2015-057

---

## Staff Recommendation

THAT Council approve "Development Variance Permit PL2015-057" for Lot 78 to Lot 87, District Lot 2710, Similkameen Division Yale District, Plan KAP92932, located at 1071-1125 Syer Road (Sendero Canyon), a permit to increase the maximum height of a retaining wall from 1.2m at the property line, to 3.0 m (10 ft.).

AND THAT staff are directed to issue "Development Variance Permit PL2015-057".

## Strategic priority objective

N/A

## Background

The subject properties (Attachment 'A') are a part of the new Sendero Canyon development and all are zoned R2 (Small Lot Residential). Sendero Canyon faces a unique set of challenges with respect to topographical changes within the site. As a result, extensive grading and use of retaining walls have been required on the site.

The properties implicated in this variance application are all on the west side of Syer Road and back onto a lane. The lane is the proposed location for the retaining wall. The height difference between the back of property and the lane is drastic; as such, the developers of Sendero Canyon are applying to vary the minimum height of a retaining wall – allowing them to use one poured-in-place retaining wall instead of multiple retaining walls in a stepped-back fashion as the Zoning Bylaw would currently require.

## Proposal

The applicant is requesting to vary the following section of Zoning Bylaw 2011-23:

- Section 6.5.2.1 – increase the maximum height of a retaining wall within a required yard, from 1.2m to 3.0m

## **Financial implication**

N/A

## **Technical Review**

This application was forwarded to the City's Technical Planning Committee (TPC) and reviewed by various departments within the City. During this process it was flagged that the footing of the retaining wall would be on City property (underground). This was viewed as unacceptable encroachment and, as a result, the developer was asked to ensure that the whole structure was contained on private property. No other irregular conditions or restriction were observed through this process.

## **Analysis**

### Approve

Maximum height limits of retaining walls are intended to avoid the creation of large, dominating wall structures between properties and between retaining walls and the street. Typically, the maximum height of a retaining wall is 1.2m, at which point a 'step-back' of 1.2m is required before the retaining wall can rise another 1.2m. If this bylaw was adhered to in the case of these properties, their backyards would be reduced by a total of 2.4m. In an effort to retain as much yard space as possible for these properties, and provide a cost-effective solution, the developer is proposing a 3m retaining wall.

Retaining walls are a necessary component to hillside development. The developer of Sendero Canyon is asking for a reasonable variance for the height of retaining wall. The 3m retaining wall will be a more effective use of space, and create a cleaner appearance for the lane.

Given the above, staff recommend that Council approve the variance and direct staff to issue the permit.

### Deny

Council may feel that the retaining wall is too high, regardless of where on the site it is located. If that is the case, Council should deny the variance.

## **Alternate recommendations**

1. THAT Council refer the application back to staff to work with the applicant on a new design.

## **Attachments**

|               |                                                       |
|---------------|-------------------------------------------------------|
| Attachment A: | Subject property location map                         |
| Attachment B: | Zoning map of neighbourhood                           |
| Attachment C: | Images of subject property                            |
| Attachment D: | Letter of intent                                      |
| Attachment E: | Draft DVP, including site plan and elevation drawings |

Respectfully submitted,

Lindsey Fraser  
Planner

Approvals

| Director | City Manager |
|----------|--------------|
| JGH      | ES           |

Attachment A – Subject Property Location Map



Figure 1: Subject properties highlighted in blue



# Attachment B – Zoning Map of Neighbourhood



Figure 2: Subject properties zoned R2 (Small Lot Residential)

Attachment C – Image of Subject Properties



Figure 3: Looking south at area to have retaining wall

RECEIVED  
 (NY) 10/10/84  
 11:00  
 N.Y.

# Attachment E – Draft DVP



City of Penticton  
171 Main St. | Penticton B.C. | V2A 5A9  
www.penticton.ca | info@penticton.ca

## Development Variance Permit

Permit Number: PL2015-057

0715473 BC LTD,  
PO Box 11166 #710-1055 West Georgia Street  
Vancouver, BC  
V6E 3R5

### Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.
2. This permit applies to:
  - Legal: Lot 78-87, District Lot 2710, Similkameen Division Yale District, Plan KAP92932
  - Civic: 1071, 1077, 1083, 1089, 1095, 1101, 1107, 1113, 1119, 1125 Syer Road (Lots 78-87)
  - PID: 029-044-677, 029-044-685, 029-044-693, 029-044-707, 029-044-715, 029-044-723, 029-044-731, 029-044-740, 029-044-758, 029-044-766.
3. This permit has been issued in accordance with Section 922 of the *Local Government Act* to vary Section 6.5.2.1 of Zoning Bylaw 2011-23 to allow for a 3.0m retaining wall to be built at the rear of the subject properties, as shown in the plans attached in Schedule A.

### General Conditions

4. In accordance with Section 928(2) of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule A.
5. In accordance with Section 926 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.
6. This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.
7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.
8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.



Authorized by City Council, the \_\_\_\_\_ day of \_\_\_\_\_, 2015

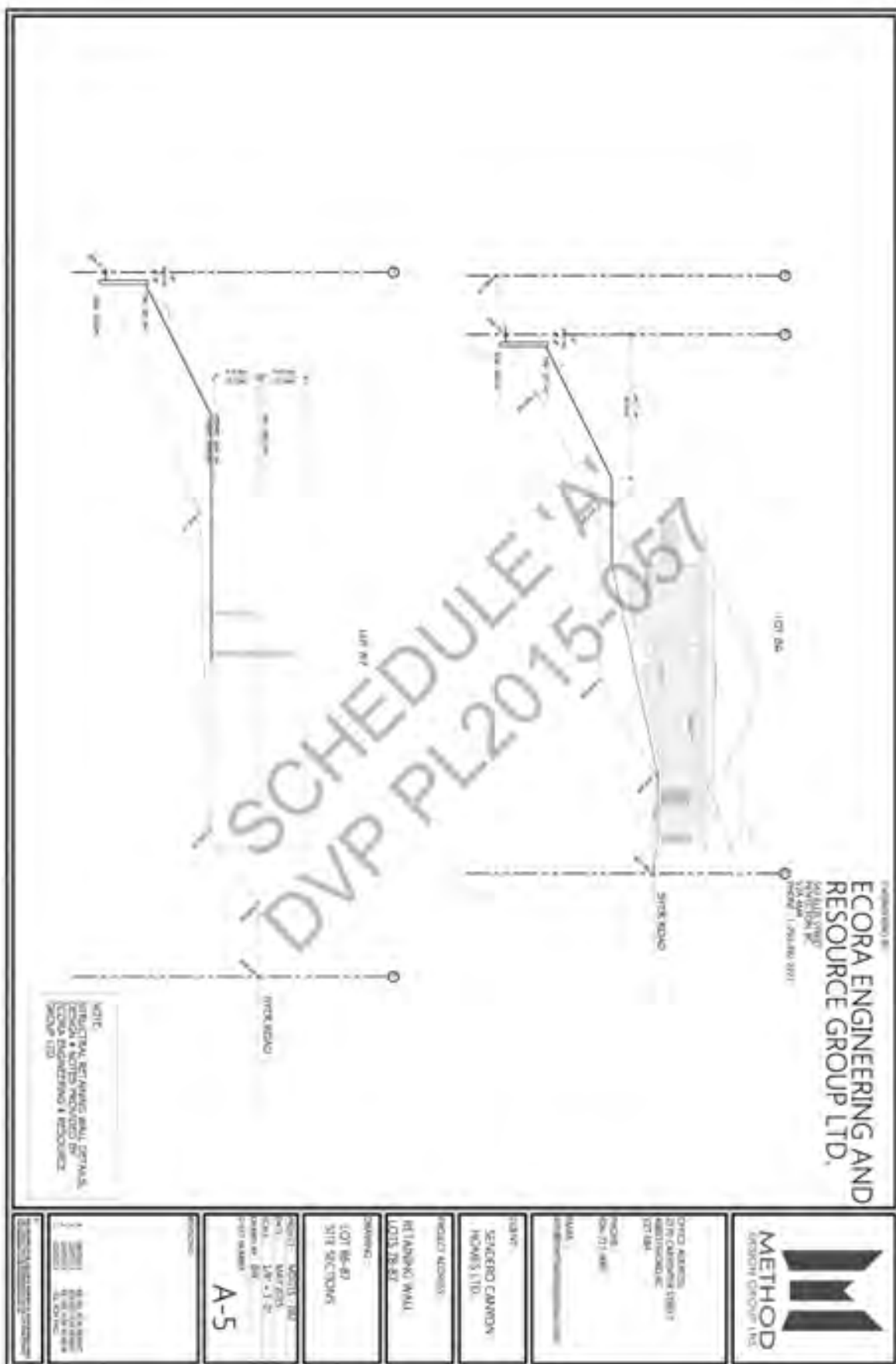
Issued this \_\_\_\_\_ day of \_\_\_\_\_, 2015

---

Dana Schmidt,  
Corporate Officer

Page 2 of 2









# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Blake Laven, Planning Manager

File No: TUP PL2015-059

**Subject: Temporary Use Permit to operate a car dealership  
249 Westminster Avenue West**

---

## Staff Recommendation

THAT Council approve "Temporary Use Permit PL2015-059", a permit to allow the use 'motor vehicles sales and rentals' at Lot A, District Lot 4, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District, Plan KAP92015, located at 249 Westminster Avenue West, for a three year period;

AND THAT staff are directed to issue the permit.

## Background

The subject property (Attachment A) is designated by the City's Official Community Plan (OCP) as DC (Downtown Commercial). In 2008, City Council supported a zoning amendment to rezone the property from a service commercial zone to a comprehensive development zone (CD4) for a mixed use commercial residential development. Concurrently, a development permit was applied for featuring two 12-storey residential towers on a three storey podium (15 storeys total) with a mix of retail and office spaces as well as parking in the podium. With the economic downturn, the development permit application was withdrawn. The CD zoning is still in place.

The property was originally developed in the 1960s as a Volkswagen Dealership, which operated for a number of years. Since that time, several automobile and other uses have taken place on the property, including a Texaco filling station. In 1996, the main building on the site was divided into a number of smaller rental spaces. The most recent tenant of the main yard and building was Frasersview RV, which ceased operation in 2014. Two smaller businesses: a detail business and a repair shop, continue to operate on the site.

Despite the fact that historically the site has been used for vehicle related uses, under the current zoning, automobile oriented uses are not permitted. The current vehicle related uses and the RV dealership that ceased operation in 2014 were operating under "legal non-conforming" rights. Those rights become extinguished if the use ceases to operate for a period of greater than 6 months, which is the case here for the majority of the property when the RV dealership ceased operation.

The current property owners are still interested in created a mixed use building in-line with the zoning that was put in place in 2008. In the meantime, however, they have been approached by a company wishing to operate a car dealership on the property (Attachment C). As this is not a permitted use under the current zoning, they are requesting approval of a temporary use permit (TUP). A TUP would allow for the use to continue for a time for up to three (3) years. After three years an application can be made for an extension.

The applicants have submitted a site plan that shows how the large lease area will be divided (Attachment D). Features of the site plan include:

- Removal of fencing along Westminster Avenue
- Installation of two rocked landscape areas which will incorporate car display areas
- Removal of fencing and barbwire from most of Brunswick Avenue
- The installation of a fenced and screened area on the rear 1/3 of the lot for auto detailing and vehicles storage
- A detail / wash bay
- Indoor storage and an office / showroom with guest parking in front
- New fascia signage and the replacement of the copy on the existing freestanding sign

No new construction is being proposed at this time.

## **Proposal**

The applicants are requesting that Council grant a temporary use permit (TUP) to permit the use “motor vehicle sales and rentals’ for a three year period.

## **Financial implication**

N/A

## **Technical review**

During staff’s technical review the need for oil and water separators was identified as an important element for this business to not have a negative impact on the City’s storm water draining infrastructure. If Council were to support the temporary use permit, the instillation of oil and water separators would be a requirement at the business licence review stage. This requirement has been communicated to the applicant.

## **Analysis**

### Support

When considering an application for a temporary use permit, the OCP has established a set of guidelines for Council and staff to follow. The OCP states that temporary use permits may only be issued provided that the proposed use:

- is not noxious or undesirable;
- does not have a negative impact on adjacent lands;
- does not create a significant increase in demand for City services;

- complies with the DPA guidelines for the area;
- operates at hours that do not disturb the surrounding neighbourhood;
- will not permanently alter the site; and
- complies with council conditions and other provincial and federal enactments

Staff do not feel that the proposal is in conflict with any of the guidelines listed above.

The City's Official Community Plan envisions this property to become part of the city's vibrant downtown core. The proposed auto dealership is not seen to be in-line with that vision. For this reason, a temporary use permit makes more sense than rezoning the property for the auto sales use. The large lease area is half a hectare in size and is currently vacant. The proposed use is more desirable than a vacant lot.

For the reasons listed above it is recommended that Council support the issuance of a permit for a 3 year period.

#### Deny and/or refer

Council may feel that motor vehicle sales are not a desirable use for this lot, even on a temporary basis. If that is the case, Council should not support the application. Alternatively, Council may wish to support the use on a temporary basis, but would like to see additional landscaping and/or other considerations included in the approval.

#### **Alternate recommendations**

- 1.) THAT Council deny "Temporary Use Permit PL2015-059".
- 2.) THAT Council approve "Temporary Use Permit PL20115-059" with conditions that Council feels are applicable.

#### **Attachments**

Attachment A – Subject Property Location Map

Attachment B – Images of Subject Property

Attachment C – Letter from Applicant

Attachment C – Proposed Plans

Attachment D- Temporary Use Permit PL2015-059

Respectfully submitted,

Blake Laven, MCIP, RPP  
Planning Manager

Approvals

| Director | Acting City Manager |
|----------|---------------------|
| JGH      | CF                  |



Attachment A  
Subject Property Location Map



Attachment B  
Photos of Subject Property



View of subject property from Westminster Avenue looking north. Large freestanding sign in the left foreground to remain with new sign copy. Showroom and storage building in the mid ground to be utilized as part of the business and tidied up



*Image of Subject property from corner of Westminster Avenue and Brunswick Street looking east. Fencing around the property to be removed*





*Image of subject property from the corner of Westminster Avenue and Winnipeg Street looking west*



*Image of subject property from Brunswick Street looking east, with the main building and detail shop in the mid ground*

Attachment C  
Letter from applicant

Penticton Auto Sales Ltd.  
c/o 2005 Lindsay Road  
Penticton, B.C. V2A 8T9

August 5, 2015

Penticton City Councillors  
171 Main Street  
Penticton, B.C. V2A 5A9

Dear Council Members:

RE: Temporary Use Permit  
249 Westminster Avenue, Penticton, B.C.

Attached is my application for a temporary use permit on the above-mentioned property.

I have lived in Penticton since 1993 and have worked in the automobile industry since December 16, 2003. My experience involves both the domestic and import; new and used vehicles. I have been employed in both management and consultant positions. My record with the VSA (vehicle sales authority) has been impeccable and I will continue to be a member in high standing.

My goal is to re-energize the area that is now sitting vacant on the corner of Winnipeg and Westminster. To that end I will create a dealership that is much more appealing than the current lot. The building will be revitalized and well maintained.

This enterprise will ultimately create employment on a permanent basis for experienced personnel and part-time employment for students or younger citizens of our area. Penticton businesses have already been hired to prepare for this endeavor. The plan is to involve as many local residents as possible.

Thank you for taking the time to consider this application.

Sincerely,

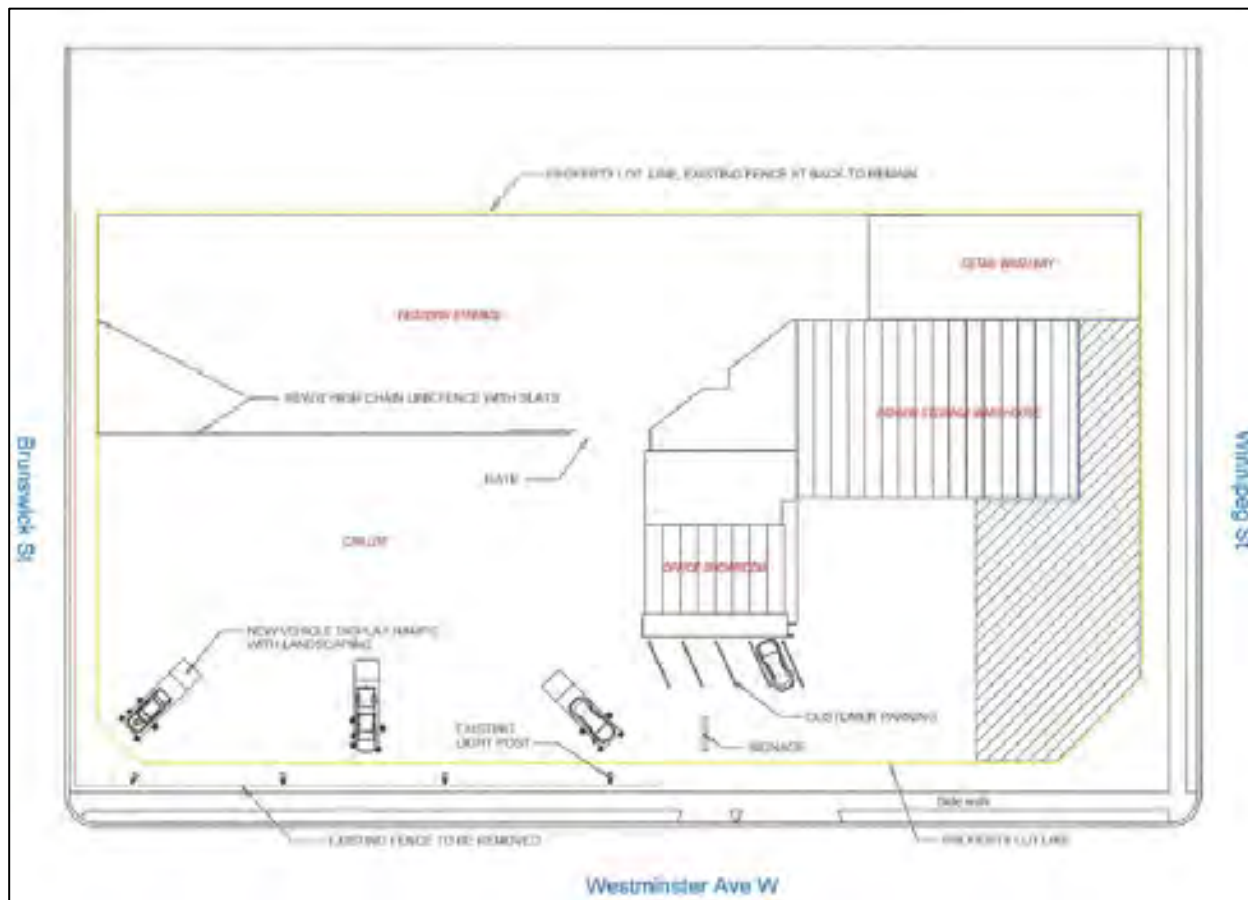


Joe Kirk  
Director of Operations  
Penticton Auto Sales

Enclosure  
Jk/jt



# Attachment D Proposed plans



Proposed site plan (hatched area indicates area not included in the lease)



Illustration showing the site with the fenced storage compound in the back 1/3 of the lot and the three landscape / vehicle display areas

Attachment D  
Temporary Use Permit PL2015-059



City of Penticton  
171 Main St. | Penticton B.C. | V2A 5A9  
www.penticton.ca | info@penticton.ca

## Temporary Use Permit

**Permit Number:** PL2015-059

**Owner**

Alas Partners Corp., Inc. No. A85068  
45 Evergreen Mount  
Calgary AB T2Y 0K1  
Alas Partners Corp.

**Applicant**

Joe Kirk  
Penticton Auto Sales  
2005 Lindsey Road  
Penticton BC V2A 8T9

**Conditions of Permit**

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.
2. This permit applies to:  
  
Legal: Lot A, District Lot 4, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District,  
Plan KAP92015  
PID: 028-581-504  
Civic: 249 Westminster Avenue W
3. This permit has been issued in accordance with Section 921 of the *Local Government Act*, to allow for the temporary use of the above noted lands for 'motor vehicle sales and rental' as shown in the plans attached in Schedule A.

**General Conditions**

4. In accordance with Section 928(2) of the *Local Government Act* the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule A.
5. In accordance with Section 921(11) of the *Local Government Act*, This permit shall expire on **September 29th, 2018**.
6. This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.
7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.



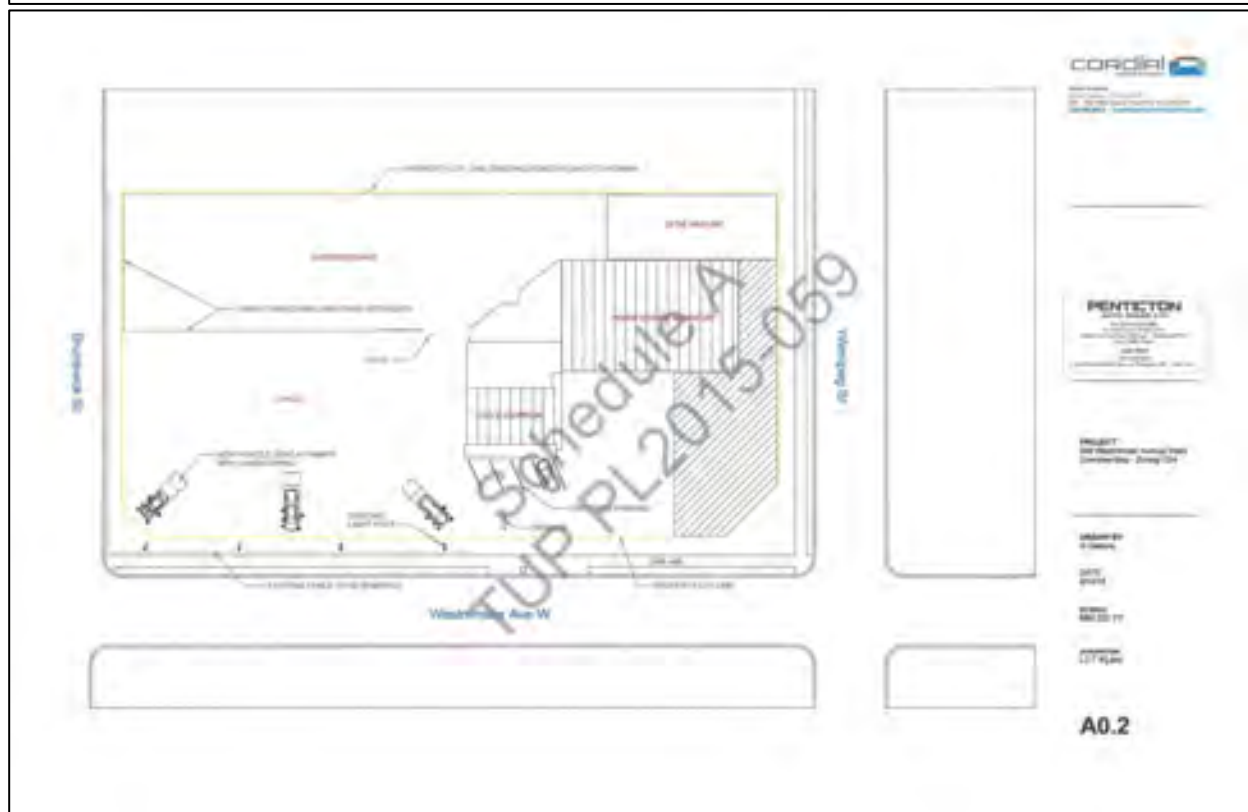
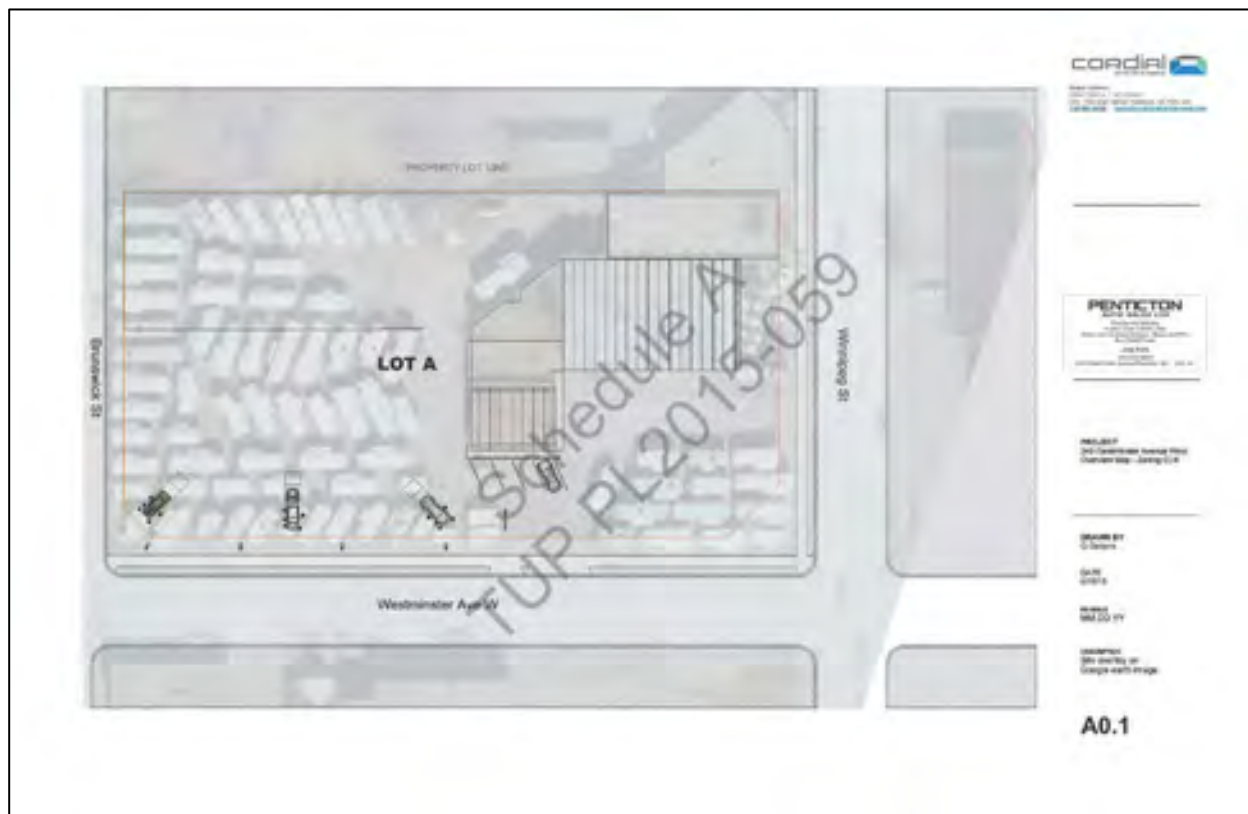
8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

Authorized by City Council the 28<sup>th</sup> day of September, 2015

Issued this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Dana Schmidt,  
Corporate Officer

Page 2 of 2







**PROJECT**  
Self-Administered Group Work  
Coursework: Group Work

UNIVERSITY OF  
SOUTH ALABAMA

100%

[illegible]

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A0.3



FIGURE 1. A LINEAR ORDERING OF THE LATTICE OF SUBALGEBRAS



FIGURE 10.10



EXAMPLE 2 OF ACTIVE SAMPLES AND LAUNCH DATES

[illegible]

© 2000 Blackwell Science Ltd

NAME \_\_\_\_\_

1997-1998

**00000000**  
**00000000**

#### A0.4

# Council Report



Date: September 28, 2015  
To: Eric Sorensen , CAO  
From: Ken Kunka, Building and Permitting Manager  
Re: Application for a Winery Lounge – Quidni Estate Winery -1465 Naramata Road

File No:4320-50

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## Staff Recommendation

THAT Council direct staff to commence public notification of the proposed Winery Lounge Endorsement for Quidni Estate Winery (1014332 BC Ltd.);

AND THAT staff report back to Council at their meeting on October 19, 2015 with the results of the public consultation and the Liquor Licensing Technical Review Committee for Council's consideration.

## Strategic priority objective NA

## Background

The City has received an application from Todd Moore, General Manager, of Quidni Estate Winery (1014332 BC Ltd.); located at 1465 Naramata Road (Site Location - Attachment A) proposing to add a Winery Lounge to their current operations. The winery has approvals to operate a vineyard, manufacturing, residence, Bed & Breakfast and retail uses.

The winery will be adding : (see floor plan – Attachment B)

- interior lounge 10 persons, and
- exterior lounge patio of 70 persons

The proposed hours of operation for the winery lounge are 11:30am to 10:00pm Monday to Sunday. The applicant is proposing a primary business focus of the lounge for food and beverage service for local residents and tourists. The interior lounge is included to allow patrons to transfer drinks from the interior to deck without staff assistance. An impact statement provided by the applicant outlining the proposed business operations has been included as Attachment C.

The application has been reviewed by the Liquor Control Licensing Branch (LCLB) and having determined applicant eligibility (attachment D), will now proceed to the Site and Community Assessment (SCA) stage which is the stage for local government input.

## Financial implication

The public consultation process costs will be offset by the Liquor Review application fee.

## Analysis

Application notification has been forwarded to the City's Liquor Licensing Technical Review Committee (LLTRC) and staff. The following comments have been provided:

Life Safety: Outstanding permits for previous renovations to the existing building have been completed. The addition of the lounge will require a change of use permit prior to operation. Fire flow calculations have been provided and are within acceptable parameters for firefighting.

Noise potential: The proposed hours are consistent with other winery lounge operations. The applicant has provided an impact statement to limit music levels to acoustic levels only. The applicant is willing to make further adjustments as required.

Traffic flow: The RCMP does not have any issues with this application. The City of Penticton Engineering department has no concerns with increased traffic in relation to road volume capacity design along Naramata Rd.

Zoning: The proposed use is permitted within the Agricultural zoning and by the Agricultural Land Commission. Recent changes to LCLB regulations (Policy Directive 15-07 - Attachment E) now permits wineries, breweries and distilleries with lounge and SEA endorsements to sell a limited amount of liquor in addition to that which they manufacture themselves. This proposed change does not impact the current Zoning. Ample off-street parking has been provided at the rear of the building.

The LLTRC is in support of the winery lounge application.

### **Public Consultation**

As per the Liquor Licensing Act, staff will be seeking comments from adjacent property and business owners. Public notices will be sent out to neighbouring properties within a 500m radius as well as the placement of a public notice sign and two notices within the local newspaper. Any public comments as a result of the public notice process will be compiled and reviewed with the applicant prior to final recommendation to Council. Staff proposes to bring forward final recommendation with public and LLTRC comments to the **Oct 19<sup>th</sup>, 2015** Council meeting, as per the City of Penticton Liquor Licensing Policy.

### **Alternate recommendations**

1. THAT Council denies support of the Quidni Estate Winery Ltd. winery lounge application.
2. Refer the Quidni Estate Winery Ltd winery lounge application back to staff for further review.

### **Attachments**

Attachment A – Location – Public Consultation map

Attachment B – Floor & Site Plan

Attachment C – Applicant Impact Statement

Attachment D – LCLB Summary

Attachment E – LCLB Policy Directive 15-07

Respectfully submitted,

Ken Kunka RBO, ASCT

Building and Permitting Manager

|            |                                        |
|------------|----------------------------------------|
| Acting CAO | Director of<br>Development<br>Services |
| CF         | JGH                                    |

# Attachment A

## Location and Public Consultation Map

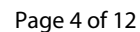


Winery

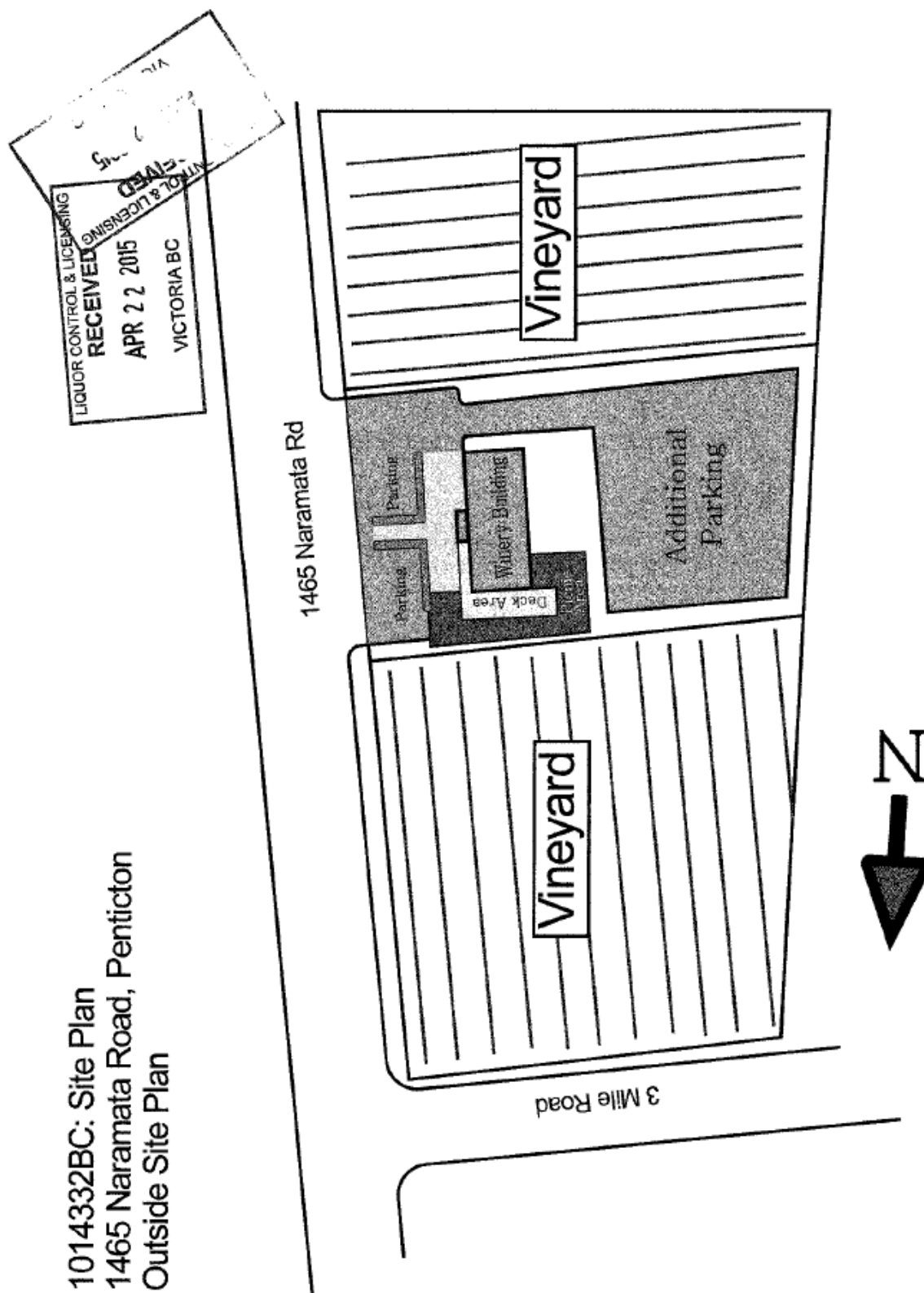


Winery with Lounge





Proposed Site Plan



Attachment C  
Applicant Impact Statement



April 22, 2015

Liquor Control and Licensing Branch  
PO Box 9292 Stn Prov Govt  
Victoria, BC  
V8W 9J8

To Whom It May Concern:

**Re: Letter of Intent**

Please accept this letter as an outline of our intentions to gain a lounge endorsement for our winery license.

Quidni Estate Winery, located at 1465 Naramata Rd, in Penticton BC has recently been acquired by a group led by Marty Gunderson who has hired local Winemaker, Todd Moore, to be the Winemaker and General Manager.

Since acquiring the property there have been extensive directional changes including winemaking, rebranding and renovations to make the winery a destination for wine oriented tourists. It is our goal to heighten the experience of everyone that visits to ensure they enjoy their stopover.

We are applying for a lounge endorsement so we will be able to accommodate customers who would like to enjoy the ambiance of the Okanagan from an attached outdoor deck overlooking our vineyard. We feel that our customers may enjoy a glass of wine and feel it's important that this can be offered with food as an option in order to provide responsible service. It is our plan to offer a selection of deli-style foods served on plates and platters that will be natural accompaniments to our wine selection.





Our target market will be mostly tourists as well as locals that are looking for an afternoon retreat. We will also make an effort to educate local B&B's so we can offer an alternative place for afternoon repasts. We will further target the wine tour companies that will bring groups to our winery and usually require food at some time during their touring.

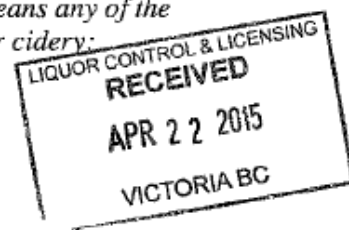
Quidni Estate Winery is located on the main road between Penticton and Naramata. This is mainly a rural area where residences are situated on acreages. With a significant amount of distance between the residents, Quidni Estate Winery will ensure the noise impact will not exceed anything past the level of an acoustic band. The outdoor patio will be closed at 10 p.m and staff members will guide the customers back into the winery so that noise will not disturb any neighbouring residents. The outdoor patio also has mood lighting installed that is not too bright for other residents and not too dark for customers enjoying their stay on the patio. All bylaws will be enforced and adhered to.

Quidni Estate also has a significant amount of Agriculture Land Reserve in the immediate area. There are numerous wineries with Lounge Endorsements along the route or just slightly off. There are many wineries and artisans along the route. The Naramata Bench has become quite a destination for the "epicurious" as evidenced by the varying amount of new business that continues to arise. The closest center is Penticton, 6.8 KMs away, which has all the amenities and services of a small city.

Agri-Tourism business brings tourist dollars into the local economy. Our venture as a whole will contribute the local economy by providing immediate jobs at the property as well as spin-off business to suppliers and service companies. Although there are already wineries with lounge endorsements in the area, there appears to be room for growth as the region draws more and more tourist business each year. There are no residential properties in the immediate vicinity of our location. Due to our intended hours of operation, there will be little chance for after hour disturbances. As well, all of our staff will be required to have a Serving it Right certificate and will need to be familiar with our in house serving policies.

Our property is zoned Agricultural and is in the Agricultural Land Reserve. Our local municipal government recognizes in Section 2 (2) (b) of the Agricultural Land Commission Act:

*Section 2 (1) For the purposes of subsection (2) (b), "ancillary use" means any of the following activities carried on at a British Columbia licensed winery or cidery:*  
*(a) processing, storage and retail sales;*



*(b) tours;*

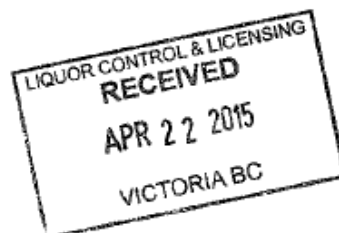
*(c) a food and beverage service lounge, if the area does not exceed 125 m2 indoors and 125 m2 outdoors.*

*Section 2 (2) The following activities are designated as farm use for the purposes of the Act and may be regulated but must not be prohibited by any local government bylaw except a bylaw under section 917 of the Local Government Act.*

We have been working together with the City of Penticton to obtain the necessary building permits and ensure that we follow all the guidelines and procedures of this process. It is not the purpose of this venture to become a "restaurant" but merely be able to provide patrons with food selections that complement our wines. It is our goal to be able to provide guest with an enhanced Okanagan winery experience that enjoys what we have to offer. In being able to provide food options we feel this will also allow us to deliver responsible service.

Sincerely,

Quidni Estate Winery



Attachment D  
LCLB Summary



July 29, 2015

Job # 13350202-15

Annette Antoniak  
City Manager  
City of Penticton  
171 Main Street  
Penticton BC V2A 5A9

Via email: [annette.antoniak@penticton.ca](mailto:annette.antoniak@penticton.ca)

Dear Annette Antoniak:

**Re: Application for a Winery Lounge Endorsement**  
**Applicant: 1014332 B.C. Ltd.**  
**Winery Name: Quidni Estate Winery**  
**Proposed Location: 1465 Naramata Road, Penticton**

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The applicant has applied to the Liquor Control and Licensing Branch (the Branch) for a Winery Lounge Endorsement, to be located at the above address in Penticton. The Branch has completed the initial review of the application to determine applicant suitability and eligibility of the establishment type for licensing. As part of that process, a Liquor Inspector has completed a site review of the proposed establishment location.

Having determined applicant eligibility, we are now proceeding to the Site and Community Assessment (SCA) stage which is the stage for local government input.

The City of Penticton is requested to consider the application and provide the Branch with a resolution which includes their comments and recommendation with respect to the licence application. To assist with Council's assessment of the application, the Branch has prepared a summary report for review and consideration by Council. The summary report is based on information provided by the applicant and by Branch staff.

**Council has 90 days to either provide comments to the general manager, or to advise that they wish to "opt out" of the process. Either must be in the form of a Council resolution. Additional time over the 90 days can be approved by the Branch if the request is received in writing prior to the end of the 90 day period.**

Upon receipt of a Council Resolution, the Branch will review the Resolution to determine if all the regulatory criteria have been met in accordance with section 10 of the Liquor Control and Licensing Regulation and; if recommended by local government, assess whether the granting of the licence would be contrary to the public interest. When you gather the views of local residents and businesses as part of your consideration, please be reminded that the applicant cannot gather the views themselves. As part of your process, the gathering of the views must be administered by the local government.

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Liquor Control and  
Licensing Branch

Mailing Address:  
PO Box 9292 Stn Prov Govt  
Victoria BC V8W 9J8  
Telephone: 250 952-5787  
Facsimile: 250 952-7066

Location:  
4<sup>th</sup> Floor, 3350 Douglas Street  
Victoria, BC  
<http://www.pssg.gov.bc.ca/lclb>

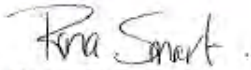
2

Following the rendering of a decision by the general manager as to whether to grant site and community approval, the applicant and the local government will be advised in writing.

Once granted site and community approval, the application proceeds to the building assessment stage of the licensing process, where floor plans are reviewed and if approved in principle, the applicant may proceed with construction/renovation of the establishment, followed by the final stages of the licensing process.

If you have any questions regarding this application please contact me at 250 952-5769 or [rona.smart@gov.bc.ca](mailto:rona.smart@gov.bc.ca)

Sincerely,



Rona Smart  
Senior Licensing Analyst  
Liquor Control and Licensing Branch

Enclosure – Application Summary and supporting material

copy: Randy Brown, Liquor Inspector  
Todd Moore, 1014332 B.C. Ltd.



Attachment E  
Policy Directive No:15-07



**Liquor Control and Licensing Branch**  
**POLICY DIRECTIVE**  
**No: 15 - 07**

Date: July 28, 2015

To: All LCLB Staff  
Liquor Distribution Branch  
All Manufacturer Associations  
All Local Government, First Nations, and Police Agencies

Re: The limited sale of all types of liquor in manufacturer lounges and special event areas

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**Introduction**

The liquor policy review (LPR) #28 recommended that government "allow manufacturers to offer patrons liquor that was not produced on site (e.g., a winery could sell a beer to a visitor)". The changes outlined below create an opportunity for manufacturers who have lounges or special event areas (SEAs) to serve a limited amount of liquor they did not produce.

**New regulation**

Section 18(7) of the Liquor Control and Licensing Regulation was amended to permit wineries, breweries and distilleries with a lounge or SEA to sell a limited amount of liquor in addition to that which they manufacture themselves. This is an interim measure until a comprehensive consultation on manufacturer policy is completed.

Terms and conditions of this new permission are as follows:

- No application is required but LCLB recommends that licensees check with their local government, to ensure there are no restrictions (such as through zoning) on the types of liquor that may be served.
- The liquor is only for consumption in the brewery, winery, or distillery lounge endorsement or SEA. No retail sales are permitted.
- The manufacturer must purchase all liquor, other than their own, destined for sale in the lounge or SEA through the LDB or other authorized vendor at the LDB Established Retail Price (hospitality price).
- No more than 20% of the total value of liquor purchased for the lounge or SEA must be from liquor not made by the manufacturer<sup>1</sup>. This requirement must be met for each quarter.
- Licensees are responsible for ensuring that their sales strategies for offering increased customer choice do not result in exceeding this threshold.

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<sup>1</sup> This is inclusive of BC wines purchased by wineries under the previous permission to sell all BC wines in the lounge or SEA.

- Licensees must keep distinct records of the source of all liquor sold in the lounge or SEA.

Manufacturers will receive an amended LDB agreement that reflects this new permission. Manufacturers located on the Agricultural Land Reserve were also previously restricted to serving only liquor produced on site. The Ministry of Agriculture has since repealed this restriction under the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (details of this change [here](#)).

**Further Information**

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at <http://www.pssq.gov.bc.ca/lclb/>. If you have any questions regarding these changes, please contact the Liquor Control and Licensing Branch toll free in Canada at 1-866-209-2111 or 250 952-5787 if calling from the Victoria area.

Douglas Scott  
Assistant Deputy Minister and General Manager

# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Tina Siebert, Bylaw Services Supervisor  
**Subject:** **Graffiti Management Partnership Agreement**

File No:

---

## Staff Recommendation

THAT Council support the continuation of the Partnership Agreement with the Downtown Penticton Association for the graffiti removal program for March 2016-March 2017;

AND THAT Council provide direction to staff to budget for half of the annual cost of the program for 2016-2017 of \$28,800.

## Strategic priority objective

The current pilot program in partnership with the Downtown Penticton Association is now seven (7) months underway, and a remarkable difference with timely graffiti removal in the downtown core is evident. The offence of graffiti is not eliminated, as graffiti will always be an ongoing issue; however the pilot program has significantly reduced the visual incidences of graffiti. A vibrant, clean/graffiti-free downtown is vital to tourism and local economy and enhances the perception of public safety.

## Background

At a Committee of the Whole meeting held February 2, 2015, a comprehensive Graffiti Management Strategy was presented for the committee's consideration. Three key elements were presented as pillars of the strategy:

1. Enforcement + education
2. Reporting + recording
3. Eradication

At that same meeting the opportunity to participate in a pilot program with the Downtown Penticton Program was presented. Options on how much investment the City should contribute to the pilot program were presented to the Committee of the Whole, which ultimately moved and seconded the following resolution:



THAT the Committee of the Whole recommend that Council fund half of the graffiti management pilot project at \$28,800 with the remainder of the funds to be sourced by the graffiti management team.

CARRIED UNANIMOUSLY

Approximately 800 “tags” have been removed from city property in the downtown pilot zone since March 2015 (7 month period), at an estimated removal cost of \$32,000. Public Works staff has had no concerns to date with the quality and timeliness of graffiti removal related to the downtown pilot zone.

There are over ninety (90) individual land owners participating in the pilot program, each benefiting from the Pure Pressure/Remove My Graffiti contractor service and only approximately 20 that opted out and will remove their own graffiti or expect enforcement action. The downtown program continues to grow with recent additions to the program of garbage disposal totes and dumpsters owned by Progressive Waste Solutions and Appleton Waste Services Inc. We have also worked diligently with Canada Post and due to our actions they are reviewing as part of their budget process for next year, in order to get on the program.

### **Financial implication**

Half of the annual cost of the Graffiti Removal Pilot program, \$28,800 for service between March 2016 and March 2017.

### **Analysis**

Staff are recommending a continuation of the partnership agreement with the DPA for the graffiti removal program. Staff are also recommending that Council consider the same contribution as in past to maintain the effectiveness of the program and support the overall graffiti management strategy.

### **Attachments**

Attachment A – City Property before/after photographs

Respectfully submitted,



Tina Siebert  
Bylaw Services Supervisor

Approvals

|                     |                               |
|---------------------|-------------------------------|
| Director<br><br>JGH | Acting City Manager<br><br>CF |
|---------------------|-------------------------------|

Attachment A





# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, Chief Administrative Officer  
**From:** Amber Coates, Revenue Supervisor  
**Subject:** **Permissive Tax Exemption Amendment Bylaw No. 2015-46**

File No:

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## Staff Recommendation

THAT Council give three readings to "Permissive Tax Exemption Amendment Bylaw No. 2015-46".

## Background

Pursuant to the *Community Charter*, on or before October 31<sup>st</sup> in any year, Council may, by bylaw, exempt land or improvement from taxation. The Permissive Tax Exemption Policy endorsed by Council requires applicants to provide financial information, proof that the organization is in good standing with the Society Act and limits the exemption to the principal use of the property and not the non-profit status of the organization, to be pro-rated if necessary (if a portion of the property is commercial use).

Staff extensively reviewed the applications and compiled the required information into the attached Schedules. These Schedules note which organizations would realize a financial hardship if the Permissive Tax Exemption was not endorsed and which organizations are in a good financial position and should be considered individually. The list also details the amount of municipal property taxes that would be imposed on the property if it were not exempt. (Amounts are based on 2015 assessments and tax rates.)

When correspondence is sent to the applicants of a tax exemption, the following sentence is included "As Permissive Tax Exemption approvals are at Council's discretion, taxes for the ensuing year should be budgeted for accordingly in the event that your request for a tax exemption is not forthcoming."

Attachment B contains the applicants that do not meet the Policy criteria and are not recommended for an exemption.

The Permissive Tax Exemption Policy allows for Places of Worship, Private Schools, and Hospitals that meet certain criteria to complete multiple year applications. Exemptions already awarded for the 2016 tax year for these applicants are equivalent to \$110,747 in taxation revenue.

Attachment D contains the applicants previously exempted for the 2014 – 2016 tax years.

## Financial implication

Awarding all requested exemptions eligible under the *Community Charter* at 100% is equivalent to foregoing \$306,221 in taxation revenue.

Awarding all requested exemptions eligible under the *Community Charter* and that fall within the policy criteria at 100% would result in foregoing \$274,894 in revenues.

## Analysis

### New Applications for Permissive Tax Exemption for 2016

The following is the list of new applicants requesting consideration for a Permissive Tax Exemption:

- Penticton & District Hospice Society
- Penticton Horseshoe Pitchers Club

### Applicants Who May Suffer Financial Hardship if Tax Exemption is not approved

Applicants with financial need are considered to have limited funds which are less than \$100,000 working capital. Lack of a Permissive Tax Exemption could seriously impair services to the community at large or impose significant hardship on the organization itself and the users of the facility.

## Alternate Recommendations

1. Award permissive exemptions to all applicants eligible under the *Community Charter* resulting in a tax revenue reduction of \$306,221.
2. Award permissive exemptions at a 90% reduction rate resulting in a tax revenue reduction of:
  - a. For applicants eligible under the *Community Charter* and meet Policy Criteria: \$247,405 (Difference from 100% reduction is \$27,489)
  - b. For all applicants eligible under the *Community Charter*: \$275,599 (Difference from 100% reduction is \$30,622)
3. Award permissive exemptions at a 75% reduction rate resulting in a tax revenue reduction of:
  - a. For applicants eligible under the *Community Charter* and meet Policy Criteria: \$206,171 (Difference from 100% reduction is \$68,723)
  - b. For all applicants eligible under the *Community Charter*: \$229,666 (Difference from 100% reduction is \$76,555)
4. Award permissive exemptions at a 50% reduction rate resulting in a tax revenue reduction of:
  - a. For applicants eligible under the *Community Charter* and meet Policy Criteria: \$137,447 (Difference from 100% reduction is \$137,447)
  - b. For all applicants eligible under the *Community Charter*: \$153,111 (Difference from 100% reduction is \$153,111)
5. Award permissive exemptions at a 25% reduction rate resulting in a tax revenue reduction of:
  - a. For applicants eligible under the *Community Charter* and meet Policy Criteria: \$68,724 (Difference from 100% reduction is \$206,170)
  - b. For all applicants eligible under the *Community Charter*: \$76,555 (Difference from 100% reduction is \$229,666)

## Attachments

Attachment A – Permissive Tax Exemption Amendment Bylaw No. 2015-46

Attachment B – Applicants that do not meet the Policy Criteria

Attachment C – Schedule 'B' to 2015 Permissive Tax Exemption Bylaw No. 2014-39 (2015 granted exemptions)

Attachment D – Schedule 'A' to 2014 Permissive Tax Exemption Bylaw No. 2013-32, updated with current values (Already approved exemptions 2014-2016)

Respectfully submitted,

Amber Coates  
Revenue Supervisor

Approvals

CFO

CF

## Bylaw No. 2015-46

### *A Bylaw to amend Permissive Tax Exemption Bylaw*

WHEREAS the *Community Charter* provides specific exemptions for certain type or uses of property;

AND WHEREAS the Council of the City of Penticton has adopted a Permissive Tax Exemption Bylaw pursuant to the *Community Charter*;

AND WHEREAS the Council of the City of Penticton wishes to amend "2014 Permissive Tax Exemption Bylaw 2013-32";

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. TITLE:

This Bylaw may be cited for all purposes as the "Permissive Tax Exemption Amendment Bylaw 2015-46".

2. AMENDMENT:

- 2.1 Remove Schedule "B" and replace it with Schedule "B" as attached hereto and forming part of the bylaw.
- 2.2 The properties described on the attached Schedule "B" shall be permissively exempt from taxation with respect to land and improvements for the year 2016.

READ A FIRST time this \_\_\_\_\_ day of \_\_\_\_\_, 2015

READ A SECOND time this \_\_\_\_\_ day of \_\_\_\_\_, 2015

READ A THIRD time this \_\_\_\_\_ day of \_\_\_\_\_, 2015

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Notice of intention to proceed with this bylaw was published on the 9 day of September, 2015 and the 18 day of September, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer



## Schedule 'B'

| Name of Applicant                                  | Civic Address        | Percentage of the Property Allowable for Permissive Exemption | Estimated Municipal (General) Tax Foregone |
|----------------------------------------------------|----------------------|---------------------------------------------------------------|--------------------------------------------|
| <b>Applicants that Meet Policy Criteria</b>        |                      |                                                               |                                            |
| <b>Not for Profits and Societies</b>               |                      |                                                               |                                            |
| Affordable Living for Today Society                | 245 Warren Ave       | 100.00%                                                       | \$3,269.15                                 |
| Army, Navy & Air Force Veterans in Canada, Unit 97 | 257 Brunswick St     | 58.84%                                                        | \$1,494.56                                 |
| Care Closet                                        | 574 Main St          | 100.00%                                                       | \$1,815.11                                 |
| Good Samaritan Canada                              | 270 Hastings Ave     | 100.00%                                                       | \$54,415.17                                |
| LUSO Canadian Multicultural Society                | 135 Winnipeg St      | 100.00%                                                       | \$2,063.26                                 |
| Okanagan Boys & Girls Club                         | 1295 Manitoba St     | 100.00%                                                       | \$4,628.40                                 |
| Ooknakane Friendship Centre                        | 146 Ellis St         | 100.00%                                                       | \$4,433.22                                 |
| Penticton & District Community Arts Council        | 220 Manor Park Ave   | 100.00%                                                       | \$9,591.38                                 |
| Penticton & District Community Resource Society    | 1140 Commercial Way  | 12.75%                                                        | \$2,715.09                                 |
| Penticton & District Community Resource Society    | 154 McPherson Cres   | 100.00%                                                       | \$2,363.83                                 |
| Penticton & District Community Resource Society    | 2434 Baskin St       | 100.00%                                                       | \$939.95                                   |
| Penticton & District Community Resource Society    | 2450 Baskin St       | 100.00%                                                       | \$939.09                                   |
| Penticton & District Community Resource Society    | 330 Ellis St         | 100.00%                                                       | \$9,946.87                                 |
| Penticton & District Community Resource Society    | 470 Edmonton Ave     | 100.00%                                                       | \$3,513.12                                 |
| Penticton & District Community Resource Society    | 500 Edmonton Ave     | 100.00%                                                       | \$1,502.83                                 |
| Penticton & District Emergency Program Society     | 251 Dawson Ave       | 100.00%                                                       | \$1,134.79                                 |
| Penticton & District Hospice Society               | 129 Nanaimo Ave W    | 100.00%                                                       | \$3,297.04                                 |
| Penticton & District Society for Community Living  | 180 Industrial Ave W | 100.00%                                                       | \$11,975.28                                |
| Penticton & District Society for Community Living  | 234 Van Horne St     | 100.00%                                                       | \$2,299.47                                 |
| Penticton & District Society for Community Living  | 252 Conklin Ave      | 100.00%                                                       | \$1,638.80                                 |
| Penticton & District Society for Community Living  | 393 Winnipeg St      | 100.00%                                                       | \$2,004.75                                 |
| Penticton & District Society for Community Living  | 453 Winnipeg St      | 100.00%                                                       | \$11,767.64                                |
| Penticton Art Gallery                              | 199 Marina Way       | 100.00%                                                       | \$16,980.08                                |
| Penticton Community Garden Society                 | 480 Vancouver Ave    | 100.00%                                                       | \$1,801.83                                 |
| Penticton Curling Club                             | 505 Vees Dr          | 100.00%                                                       | \$7,431.64                                 |
| Penticton Early Childhood Education Society        | 104 - 550 Carmi Ave  | 100.00%                                                       | \$1,399.85                                 |
| Penticton Elks Lodge 51                            | 343 Ellis St         | 100.00%                                                       | \$2,739.80                                 |
| Penticton Golf & Country Club                      | 600 Comox St         | 83.00%                                                        | \$8,774.45                                 |
| Penticton Golf & Country Club                      | 852 Eckhardt Ave W   | 100.00%                                                       | \$13,941.48                                |
| Penticton Horseshoe Pitchers Club                  | 2905 South Main St   | 100.00%                                                       | \$701.27                                   |
| Penticton Kinsmen Disability Resource Society      | 216 Hastings Ave     | 80.00%                                                        | \$6,256.70                                 |
| Penticton Kiwanis Housing Society                  | 150 Van Horne St     | 100.00%                                                       | \$22,922.67                                |

| Name of Applicant                                                       | Civic Address         | Percentage of the Property Allowable for Permissive Exemption | Estimated Municipal (General) Tax Foregone |
|-------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------|--------------------------------------------|
| Penticton Lawn Bowling Club                                             | 260 Brunswick St      | 100.00%                                                       | \$4,732.67                                 |
| Penticton Masonic Building Association                                  | 416 Westminster Ave W | 67.00%                                                        | \$1,783.09                                 |
| Penticton Safety Village                                                | 490 Edmonton Ave      | 100.00%                                                       | \$4,014.99                                 |
| Penticton Tennis Club                                                   | 675 Marina Way        | 16.00%                                                        | \$67.38                                    |
| Roman Catholic Bishop of Nelson for Birthright of Penticton             | 200 Bennett Ave       | 100.00%                                                       | \$1,334.21                                 |
| Roman Catholic Bishop of Nelson for Penticton Recovery Resource Society | 397 Wade Ave W        | 100.00%                                                       | \$1,818.81                                 |
| Royal Canadian Legion #40                                               | 502 Martin St         | 100.00%                                                       | \$2,441.49                                 |
| South Okanagan Similkameen Branch of the BCSPCA                         | 2200 Dartmouth Dr     | 100.00%                                                       | \$11,975.28                                |
| South Okanagan Similkameen Medical Foundation                           | 1748 Camrose St       | 100.00%                                                       | \$4,196.23                                 |
| South Okanagan Similkameen Medical Foundation                           | 1802 Camrose St       | 100.00%                                                       | \$2,927.60                                 |
| South Okanagan Women in Need Society                                    | Not Disclosed         | 100.00%                                                       | \$2,784.25                                 |
| SS Sicamous Restoration Society                                         | 1099 Lakeshore Dr     | 100.00%                                                       | \$10,302.36                                |
| SS Sicamous Restoration Society                                         | 1101 Lakeshore Dr     | 100.00%                                                       | \$1,895.85                                 |
| SS Sicamous Restoration Society                                         | 1175 Lakeshore Dr     | 100.00%                                                       | \$3,921.45                                 |
| <b>Meets Policy Criteria Total:</b>                                     |                       |                                                               | <b>\$274,894.25</b>                        |

## Attachment B - Applicants that do not meet Policy criteria

## Attachment 'B'

| Name of Applicant                                  | Civic Address      | Percentage of the Property Allowable for Permissive Exemption | Estimated Municipal (General) Tax Foregone |
|----------------------------------------------------|--------------------|---------------------------------------------------------------|--------------------------------------------|
| <b>Applicants that Do Not Meet Policy Criteria</b> |                    |                                                               |                                            |
| <b>Not for Profits and Societies</b>               |                    |                                                               |                                            |
| Fraternal Order of Eagles Aerie 4281               | 1197 Main St       | 81.30%                                                        | \$3,023.41                                 |
| Governing Council of the Salvation Army Corps 344  | 123 Nanaimo Ave E  | 100.00%                                                       | \$3,110.30                                 |
| Governing Council of the Salvation Army Corps 344  | 2399 South Main St | 100.00%                                                       | \$8,775.83                                 |
| Governing Council of the Salvation Army Corps 344  | 318 Ellis St       | 100.00%                                                       | \$3,492.21                                 |
| Penticton & District Minor Hockey Association      | 325 Power St       | 100.00%                                                       | \$1,442.89                                 |
| South Okanagan Similkameen Brain Injury Society    | 332 Eckhardt Ave W | 100.00%                                                       | \$1,934.82                                 |
| South Okanagan Similkameen Brain Injury Society    | 742 Argyle St      | 100.00%                                                       | \$1,754.64                                 |
| <b>Does Not Meet Policy Criteria Total:</b>        |                    |                                                               | <b>\$23,534.09</b>                         |

| Name                                                                | Address              | % of the property allowable for permissive exemption | Estimated Municipal (General) \$ tax value that would be imposed if not exempted |
|---------------------------------------------------------------------|----------------------|------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Applicants that Meet Policy Criteria</b>                         |                      |                                                      |                                                                                  |
| <b>Not for Profits and Society's</b>                                |                      |                                                      |                                                                                  |
| Royal Canadian Legion                                               | 502 Martin St        | 60.63%                                               | 2,774.37                                                                         |
| Penticton & District Society for Community Living                   | 453 Winnipeg St      | 100.00%                                              | 11,680.51                                                                        |
| South Okanagan Similkameen Brain Injury Society                     | 742 Argyle St        | 100.00%                                              | 1,767.71                                                                         |
| South Okanagan Similkameen Brain Injury Society                     | 332 Eckhardt Ave W   | 100.00%                                              | 1,885.56                                                                         |
| Army, Navy & Air Force Veterans In Canada, Unit 97                  | 257 Brunswick St     | 58.84%                                               | 1,616.73                                                                         |
| Penticton & District Society for Community Living                   | 252 Conklin Ave      | 100.00%                                              | 1,686.13                                                                         |
| Penticton Kinsmen Disability Resource Centre Society                | 216 Hastings Ave     | 50.00%                                               | 2,193.02                                                                         |
| Good Samaritan Canada (Village by the Station)                      | 270 Hastings Ave     | 100.00%                                              | 54,232.56                                                                        |
| Fraternal Order of Eagles Aerie 4281                                | 1197 Main street     | 45.00%                                               | 1,506.19                                                                         |
| Penticton & District Society for Community Living                   | 180 Industrial Ave W | 100.00%                                              | 12,806.49                                                                        |
| Penticton & District Community Resources Society                    | 470 Edmonton Avenue  | 100.00%                                              | 3,893.77                                                                         |
| Penticton & District Community Resources Society                    | 500 Edmonton Avenue  | 100.00%                                              | 1,704.08                                                                         |
| Roman Catholic Bishop of Nelson for Birthright of Penticton Society | 200 Bennett Ave      | 100.00%                                              | 1,377.91                                                                         |
| Okanagan Boys & Girls Club                                          | 1295 Manitoba St     | 100.00%                                              | 5,130.00                                                                         |
| Penticton & District Community Arts Council                         | 220 Manor Park Ave   | 100.00%                                              | 10,371.04                                                                        |
| Affordable Living for Today Society                                 | 245 Warren Avenue    | 100.00%                                              | 3,486.63                                                                         |

| Name                                               | Address                 | % of the property allowable for permissive exemption | Estimated Municipal (General) \$ tax value that would be imposed if not exempted |
|----------------------------------------------------|-------------------------|------------------------------------------------------|----------------------------------------------------------------------------------|
| Penticton & District Community Resources Society   | 2450 Baskin St          | 100.00%                                              | 926.47                                                                           |
| Penticton & District Community Resources Society   | 2434 Baskin St          | 100.00%                                              | 925.56                                                                           |
| Governing Council of the Salvation Army Corps #344 | 2399 South Main St      | 100.00%                                              | 9,149.61                                                                         |
| Penticton Senior's Drop-In Centre                  | 2905 South Main St      | 32.31%                                               | 8,124.49                                                                         |
| Penticton & District Community Resources Society   | 154 McPhearson Crescent | 100.00%                                              | 2,470.26                                                                         |
| Penticton Golf & Country Club                      | 600 Comox St            | 83.06%                                               | 9,464.54                                                                         |
| Penticton Golf & Country Club                      | 852 Eckhardt Ave W      | 100.00%                                              | 14,116.24                                                                        |
| Luso Canadian Multicultural Society of Penticton   | 135 Winnipeg St         | 100.00%                                              | 2,317.01                                                                         |
| Penticton Lawn Bowling Club                        | 260 Brunswick Street    | 100.00%                                              | 6,792.80                                                                         |
| Penticton & District Society for Community Living  | 393 Winnipeg St         | 100.00%                                              | 2,290.32                                                                         |
| Penticton Masonic Building Association             | 416 Westminster Ave W   | 67.00%                                               | 1,314.59                                                                         |
| Penticton Recovery Resource Society                | 397 Wade Avenue         | 100.00%                                              | 1,332.58                                                                         |
| South Okanagan Women In Need Society               | not disclosed           | 100.00%                                              | 2,773.95                                                                         |
| S.S. Sitamous Restoration Society                  | 1175 Lakeshore Dr W     | 100.00%                                              | 3,926.16                                                                         |
| Penticton & Wine Country Chamber of Commerce       | 553 Veas Drive          | 100.00%                                              | 1,324.32                                                                         |
| Penticton Curling Club                             | 505 Railway St          | 100.00%                                              | 7,591.74                                                                         |
| Penticton Art Gallery                              | 199 Marina Way          | 100.00%                                              | 18,291.82                                                                        |

| Name                                               | Address             | % of the property allowable for permissive exemption | Estimated Municipal (General) \$ tax value that would be imposed if not exempted |
|----------------------------------------------------|---------------------|------------------------------------------------------|----------------------------------------------------------------------------------|
| Penticton Tennis Club                              | 675 Marina Way      | 16.00%                                               | 86.30                                                                            |
| S.S. Sicamous Restoration Society                  | 1101 Lakeshore Dr W | 100.00%                                              | 1,904.59                                                                         |
| Penticton Community Garden Society                 | 480 Vancouver Ave   | 100.00%                                              | 3,263.47                                                                         |
| Ooknakane Friendship Centre                        | 146 Ellis St        | 100.00%                                              | 4,893.13                                                                         |
| Penticton & District Society for Community Living  | 234 Van Horne St    | 100.00%                                              | 2,402.28                                                                         |
| Governing Council of the Salvation Army Corps #344 | 318 Ellis St        | 100.00%                                              | 3,871.56                                                                         |
| Penticton Elks Lodge #51                           | 343 Ellis St        | 66.12%                                               | 1,225.32                                                                         |
| Penticton & District Community Resources Society   | 330 Ellis St        | 100.00%                                              | 10,104.55                                                                        |
| South Okanagan Women In Need Society               | 456 Main St         | 100.00%                                              | 2,753.77                                                                         |
| Care Closet                                        | 574 Main St         | 100.00%                                              | 2,048.30                                                                         |
| Penticton Early Childhood Education Society        | #104-550 Carmi Ave  | 100.00%                                              | 1,513.44                                                                         |
| Penticton & District Community Resources Society   | 1140 Commercial Way | 100.00%                                              | 2,761.17                                                                         |
| South Okanagan Similkameen Branch of the BCSPCA    | 2200 Dartmouth Dr   | 100.00%                                              | 12,991.56                                                                        |
| S.S. Sicamous Restoration Society                  | 1099 Lakeshore Dr W | 100.00%                                              | 11,037.28                                                                        |
| Penticton & District Minor Hockey Association      | 399 Power Street    | 100.00%                                              | 1,500.00                                                                         |
| Penticton Safety Village                           | 490 Edmonton Ave    | 100.00%                                              | 1,500.00                                                                         |
| Penticton & District Emergency Program Society     | 251 Dawson          | 100.00%                                              | 1,500.00                                                                         |
| <b>Meets Policy Criteria Total</b>                 |                     |                                                      | <b>276,601.88</b>                                                                |

## Attachment D - Already approved exemptions 2014-2016

Attachment 'D'

| Name of Applicant                                            | Civic Address          | Percentage of the Property Allowable for Permissive Exemption | Estimated Municipal (General) Tax Foregone |
|--------------------------------------------------------------|------------------------|---------------------------------------------------------------|--------------------------------------------|
| <b>Applicants with 2014-2016 Exemption</b>                   |                        |                                                               |                                            |
| <b>Places of Worship</b>                                     |                        |                                                               |                                            |
| Cheers the Church                                            | 639 Main St            | 100.00%                                                       | \$5,450.91                                 |
| Christian Science Society                                    | 608 Winnipeg St        | 100.00%                                                       | \$1,060.01                                 |
| Church of Jesus Christ of Latter Day Saints                  | 2946 South Main St     | 100.00%                                                       | \$5,133.80                                 |
| Church of the Nazarene                                       | 523 Jermyn Ave         | 24.98%                                                        | \$2,856.23                                 |
| Concordia Lutheran Church                                    | 2800 South Main St     | 100.00%                                                       | \$4,775.25                                 |
| Governing Council of the Salvation Army Corps 344            | 2469 South Main St     | 100.00%                                                       | \$3,731.46                                 |
| Grace Mennonite Brethren Church                              | 74 Penticton Ave       | 100.00%                                                       | \$1,527.45                                 |
| Green Mountain Christian Congregation of Jehovah's Witnesses | 52 Roy Ave             | 83.95%                                                        | \$3,293.55                                 |
| Hellenic Community Society of Penticton                      | 1265 Fairview Rd       | 100.00%                                                       | \$1,291.70                                 |
| Oasis United Church                                          | 2964 Skaha Lake Rd     | 100.00%                                                       | \$12,470.18                                |
| Our Redeemer Lutheran Church                                 | 1370 Church St         | 100.00%                                                       | \$1,585.96                                 |
| Penticton Alliance Church                                    | 197 Brandon Ave        | 100.00%                                                       | \$3,740.73                                 |
| Penticton Bethel Pentecostal Tabernacle                      | 65 Preston Ave         | 100.00%                                                       | \$1,836.19                                 |
| Penticton Bethel Pentecostal Tabernacle                      | 945 Main St            | 100.00%                                                       | \$6,225.08                                 |
| Penticton Bethel Pentecostal Tabernacle                      | 973 Main St            | 100.00%                                                       | \$3,561.91                                 |
| Penticton First Baptist Church                               | 1498 Government St     | 100.00%                                                       | \$4,877.19                                 |
| Penticton Free Presbyterian Church                           | 120 Preston Ave        | 100.00%                                                       | \$2,647.12                                 |
| Penticton New Beginnings Christian Fellowship                | #101 - 96 Edmonton Ave | 100.00%                                                       | \$2,771.78                                 |
| Penticton Sikh Temple & Indian Cultural Society              | 3290 South Main St     | 51.13%                                                        | \$4,224.97                                 |
| Penticton United Church                                      | 696 Main St            | 100.00%                                                       | \$2,984.24                                 |
| Penticton Vineyard Community Church                          | #102 - 1825 Main St    | 61.35%                                                        | \$9,765.97                                 |
| Roman Catholic Bishop of Nelson (St. Anne's)                 | 1296 Main St           | 91.99%                                                        | \$5,713.04                                 |
| Seventh-day Adventist Church                                 | 290 Warren Ave         | 100.00%                                                       | \$4,159.52                                 |
| St. Andrew's Presbyterian Church                             | 157 Wade Ave W         | 100.00%                                                       | \$2,075.99                                 |
| St. Andrew's Presbyterian Church                             | 397 Martin St          | 100.00%                                                       | \$1,245.36                                 |
| St. John Vianney Church                                      | 361 Wade Ave W         | 77.18%                                                        | \$2,605.42                                 |
| St. Saviour's Anglican Church                                | 150 Orchard Ave        | 100.00%                                                       | \$4,326.92                                 |
| Victory Church of Penticton                                  | 352 Winnipeg St        | 39.08%                                                        | \$1,661.84                                 |
| Subtotal:                                                    |                        |                                                               | \$107,599.78                               |
| <b>Schools</b>                                               |                        |                                                               |                                            |
| Holy Cross School                                            | 1299 Manitoba St       | 100.00%                                                       | \$3,147.17                                 |
| Subtotal:                                                    |                        |                                                               | \$3,147.17                                 |
| <b>Total Applicants with 2014-2016 Exemption:</b>            |                        |                                                               | <b>\$110,746.95</b>                        |



# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, Chief Administrative Officer  
**From:** Lori Mullin, Recreation & Culture Manager  
**Subject:** **Extension Agreement for Naramata May Pole Sculpture**

File No:

## Staff Recommendation

THAT Council approve the request from the Regional District of Okanagan Similkameen and the Naramata Community School PAC/Centennial Committee to extend the term for displaying the May Pole Sculpture within the Front Street round-about for an additional six months to March 31, 2016;

AND THAT Council authorize the Mayor and Corporate Officer to execute the Extension Agreement.

## Background

On May 20, 2014 Council considered a staff report on the installation of a May Pole Statue by the Naramata Community School PAC/Centennial Committee in the Front Street round about. At that time Council passed the following resolution:

### ***Naramata Community School PAC***

Re: Centennial Committee Public Art Display Request

Resolution 231/2014                      It was MOVED and SECONDED

THAT Council approve the request from the Naramata Community School PAC/Centennial Committee to install a public art display celebrating the school's 100th anniversary, within the Front Street Round About; and

THAT Council direct staff to work and finalize with the NCSPAC, any requirements in the displays specifications and installation; and

THAT Council direct staff to enter into an agreement with NCSPAC, as per the Public Art Policy for the temporary installation of said art display with a term ending September 30, 2015.

CARRIED UNANIMOUSLY

NCSPAC transferred the ownership of the May Pole Sculpture to the Regional District of Okanagan Similkameen (RDOS) and as such the City entered into an agreement with the RDOS for the placement of the statue.

Through the RDOS, the NCSPAC has requested that the City consider an extension of the Agreement to have the Sculpture remain until March 31, 2016.

### **Financial implication**

None.

### **Analysis**

This request from an RDOS director came to City staff on September 15, 2015 which was after the September meeting for the Arts, Creative & Cultural Innovations Committee. Staff reached out for input to this request to all Committee members via email and the members unanimously supported the request.

### **Alternate recommendations**

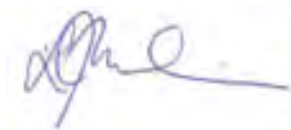
1. THAT Council direct the RDOS to remove the sculpture;  
or
2. THAT Council provide alternate directions to staff.

### **Attachments**

Attachment A – May Pole Sculpture Drawing

Attachment B – Proposed Extension Agreement

Respectfully submitted,



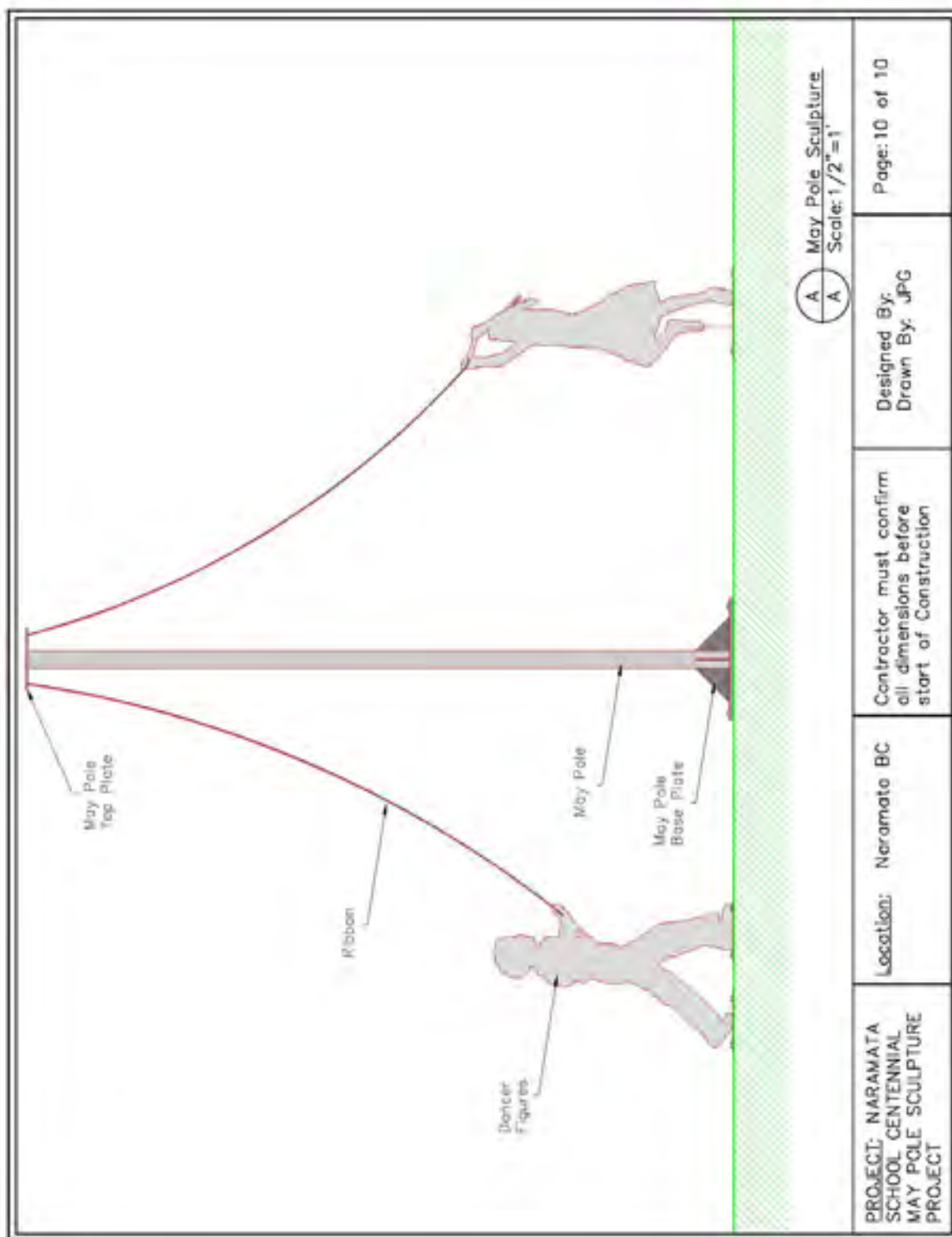
Lori Mullin  
Recreation & Culture Manager

Approvals

Acting City Manager

CF

Attachment A – May Pole Drawing



## **Attachment B - Proposed Extension Agreement**

### **EXTENSION AGREEMENT**

This agreement made the \_\_\_\_\_ day of \_\_\_\_\_, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

a municipal corporation having its offices at 171 Main Street,  
in the City of Penticton, in the Province of British Columbia V2A 5A9  
(the "City")

AND:

**THE REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN**

having its offices at 101 Martin Street, in the City of Penticton,  
in the Province of British Columbia V2A 5J9  
("RDOS")

In consideration of the mutual covenants contained in this agreement, the parties agree as follows:

**WHEREAS** the City entered into an agreement with the RDOS dated October 31, 2014 (hereinafter referred to as the "Agreement") for the display of a public art installation celebrating the Naramata Community School's 100<sup>th</sup> Anniversary within the roundabout located at the intersections of Front Street, Marina Way, Ellis Street and Vancouver Avenue, Penticton, British Columbia;

**AND WHEREAS** the Agreement expires on September 15, 2015, and the parties desire to extend and continue said Agreement;

**NOW THEREFORE** it is provided that said Agreement shall be extended for an additional term, commencing upon the expiration of the original term and expiring on March 31, 2016.

This extension shall be on the same terms and conditions as contained in the original Agreement and as set forth herein.

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

**THE CORPORATION OF THE CITY OF PENTICTON**

by its authorized signatories:

---

Mayor Andrew Jakubeit

---

Dana Schmidt, Corporate Officer

**THE REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN**

by its authorized signatories:

---

Bill Newell, CAO

In the presence of:

---

Name:

# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Blake Laven, Planning Manager  
**Subject:** **Economic Investment Zone Agreements (2015 completions)**

File No: RMS 6630-20

## Staff Recommendation

THAT Council enter into Revitalization Tax Exemption Agreements for the following properties:

- ☐ 198 Ellis Street
- ☐ 182 Industrial Court
- ☐ 1374 Commercial Way
- ☐ 682 Okanagan Avenue
- ☐ 272 Dawson Avenue
- ☐ 260 and 270 Martin Street
- ☐ 1356 Commercial Way
- ☐ 437 Martin Street
- ☐ 52 Front Street
- ☐ 3475 Wilson Street
- ☐ 1000 Lakeshore Drive

AND THAT the Mayor and Corporate Officer are directed to execute the "Revitalization Tax Exemption Agreements" on behalf of the City.

## Strategic priority objective

The EIZ program meets Council's strategic priority of Downtown and Waterfront revitalization.

## Background

The Economic Investment Zone program was adopted by Council in 2010 to provide economic incentives for specified uses in key areas within the city. These areas include the downtown, the industrial areas, properties with hotel and motel uses and the waterfront.

Investment in these areas through the EIZ program has equaled more than 28 million dollars over 31 projects in the 4+ years that the program has been running. The current 11 projects being brought forward at this time have all been completed in the past year and are eligible for tax exemption benefits under the program beginning in the 2016 tax year. The projects qualify under three different Economic Investment Zone Bylaws that have been passed by Council over the past few years.

Most of the properties are eligible for tax exemptions on the municipal portion of their taxes for all eligible improvements for a five (5) year period from 2016-2020. One property, 198 Ellis Street, is eligible for a ten (10) year tax exemption.

According to each of the bylaws, to receive the tax benefits, the property owners must enter into a revitalization tax exemption agreement with the City and have a tax certificate submitted to BC Assessment. Copies of those agreements and tax certificates are attached for Council's reference (Attachment A).

### Financial implication

Table 1 outlines a description of each project and the approximate expected tax exemption benefit for the 2016 to 2020 tax years and the 2016-2026 years for 198 Ellis Street (the estimates assume no increase in the rate paid over that time):

| Project Address                  | Description                                                                           | Construction Value  | Estimated yearly tax exemption benefit | Estimated total tax exemption benefit (5 or ten year depending on eligibility) |
|----------------------------------|---------------------------------------------------------------------------------------|---------------------|----------------------------------------|--------------------------------------------------------------------------------|
| <b>198 Ellis Street</b>          | Brewery and restaurant for the Cannery Brewing Company                                | \$1,300,000         | \$9,418                                | \$94,180                                                                       |
| <b>1374 Commercial Way</b>       | Furniture storage warehouse                                                           | \$250,000           | \$1,728                                | \$8,640                                                                        |
| <b>182 Industrial Court</b>      | Industrial building with watchman's quarters                                          | \$330,000           | \$2,281                                | \$11,407                                                                       |
| <b>682 Okanagan Avenue</b>       | Industrial Building for Nor-Mar Manufacturing                                         | \$373,000           | \$2,578                                | \$12,893                                                                       |
| <b>272 Dawson Avenue</b>         | BC Tree Fruits building internal renovations and addition                             | \$250,000           | \$1,728                                | \$8,641                                                                        |
| <b>260 and 270 Martin Street</b> | Renovation to add a distillery (Old Order) and façade improvements to an existing bar | \$100,000           | \$652                                  | \$3,260                                                                        |
| <b>1356 Commercial Way</b>       | Industrial building (Walco Holdings)                                                  | \$200,000           | \$1,382                                | \$6,913                                                                        |
| <b>437 Martin Street</b>         | Tenant improvements for a furniture store                                             | \$150,000           | \$1,087                                | \$5,433                                                                        |
| <b>52 Front Street</b>           | Tenant improvements (Burger 55)                                                       | \$50,000            | \$362                                  | \$1,811                                                                        |
| <b>3475 Wilson Street</b>        | Retirement resort (156 unit congregate living units)                                  | \$22,162,500        | \$100,178                              | \$500,894                                                                      |
| <b>1000 Lakeshore Drive</b>      | Major renovations to a waterfront restaurant (Salty's and the Black Pearl)            | \$1,000,000         | \$7,245                                | \$36,227                                                                       |
| <b>Total</b>                     |                                                                                       | <b>\$26,155,500</b> | <b>\$128,702</b>                       | <b>\$690,299</b>                                                               |



## Analysis

### Approve

These eleven properties are eligible to receive a tax exemption benefit under Bylaw 2012-5028, Bylaw 2014-04 and Bylaw 2014-44.

Staff recommend approval of the attached Agreements and that Council allow the Mayor and Corporate Officer to execute the documents on behalf of Council.

### Alternate recommendations

N/A

### Attachments

Attachment A – EIZ Agreements

Respectfully submitted,

Blake Laven, RPP, MCIP  
Planning Manager

### Approvals

| Director | Acting City Manager |
|----------|---------------------|
| JGH      | CF                  |

Attachment A  
Revitalization Tax Exemption Agreements

198 Ellis Street: [ADDRESS\Ellis St\198\EIZ\2015 EIZ Agreement.docx](#)

1374 Commercial Way: [ADDRESS\Commercial Way\1374\EIZ\2015 EIZ Agreement.docx](#)

182 Industrial Court: [ADDRESS\Industrial Crt\182\EIZ\2015 EIZ Agreement.docx](#)

682 Okanagan Avenue: [ADDRESS\Okanagan Ave E\682\EIZ\2015 EIZ Agreement.docx](#)

272 Dawson Avenue: [ADDRESS\Dawson Ave\272\EIZ\2015 EIZ Agreement.docx](#)

260 and 270 Martin Street: [ADDRESS\Martin St\270\EIZ\2015 EIZ Agreement.docx](#)

1356 Commercial Way: [ADDRESS\Commercial Way\1356\EIZ\2015 EIZ Agreement.docx](#)

437 Martin Street: [..\..\..\ADDRESS\Martin St\437\EIZ\2015 EIZ Agreement.docx](#)

52 Front Street: [ADDRESS\Front St\52\EIZ\2015 EIZ Agreement.docx](#)

3475 Wilson Street: [ADDRESS\Wilson St\3475\EIZ\2015 EIZ Agreement.docx](#)

1000 Lakeshore Drive: [ADDRESS\Lakeshore Dr W\1000\EIZ\2015 EIZ Agreement.docx](#)

## **REVITALIZATION TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is dated for reference the 28th day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**THE CANNERY BREWING COMPANY LTD.**

198 Ellis Street  
Penticton, BC  
V2A 4L5

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 198 Ellis Street and legally described as:  
  
PID: 029-391-041  
  
Lot A, District Lot 202, Similkameen Division Yale District, Plan EPP43741  
  
(the "Land");
- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-04 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 7 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

## Revitalization Tax Exemption

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

## Conditions of Maintaining Tax Exemption

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

## Term of Exemption

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of ten (10) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

## Calculation of Tax Exemption

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after

it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).

13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

### **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

### **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

### **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

### **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

### **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

### **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

### **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate



As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )  
by its authorized signatories: )  
 )  
 )  
 )  
\_\_\_\_\_)  
Andrew Jakubeit, Mayor )  
 )  
 )  
\_\_\_\_\_)  
Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**The Cannery Brewing Company Ltd.** by )  
its authorized signatory(ies): )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )

## **Schedule “A”**

### **Description of Eligible Improvement**

The eligible improvements consist of a 920 sq m (9,909 sq ft) craft brewery with a retail and restaurant area as shown in the building plans attached to “City of Penticton Building Permit No. PR2014-0606” and “City of Penticton Building Permit No. PR2014-0755”.

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-04" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **The Cannery Brewing Company Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 029-391-041

Lot A, District Lot 202, Similkameen Division Yale District, Plan EPP43741

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is ten years, for each of the taxation years 2016 to 2026 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**HOMETOWN FURNITURE & APPLIANCES (PENTICTON) LTD.**

2549 Skaha Lake Road  
Penticton, BC  
V2A 6E8

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 1374 Commercial Way and legally described as:  
  
PID: 008-419-540  
  
Lot 4, District Lot 3821S, Similkameen Division Yale District, Plan 17297  
  
(the "Land");
- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2012-5028 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 10 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

## Revitalization Tax Exemption

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

## Conditions of Maintaining Tax Exemption

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

## Term of Exemption

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

## Calculation of Tax Exemption

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after

it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).

13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.



### **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

### **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

### **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

### **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

### **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

### **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

### **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement  
Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )  
by its authorized signatories: )  
 )  
 )  
\_\_\_\_\_)  
Andrew Jakubeit, Mayor )  
 )  
 )  
\_\_\_\_\_)  
Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**HOMETOWN FURNITURE &** )  
**APPLIANCES (PENTICTON) LTD.** by its )  
authorized signatory(ies): )  
 )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include a 946 sq m (10,184 sq ft) steel warehouse building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. PR2014-0144".

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2012-5028" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Hometown Furniture & Appliances (Penticton) Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 008-419-540

Lot 4, District Lot 3821S, Similkameen Division Yale District, Plan 17297

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28th day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**RONALD RITCHARD GREEN**

417 9008-99 Avenue NW  
Edmonton, AB  
T5H 4M6

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 182 Industrial Court and legally described as:

PID: 001-655-833

Lot 9, District Lot 115, Similkameen Division Yale District, Plan 32316

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2012-5028 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 10 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

## Revitalization Tax Exemption

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

## Conditions of Maintaining Tax Exemption

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

## Term of Exemption

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

## Calculation of Tax Exemption

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2013, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after



it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).

13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

### **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

### **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

### **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

### **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

### **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

### **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

### **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

THE CORPORATION OF THE CITY OF )  
PENTICTON )  
by its authorized signatories: )

\_\_\_\_\_  
Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

Ronald Ritchard Green

## **Schedule "A"**

### **Description of Eligible Improvement**

Construction of a 362 sq m (3,900 sq ft) steel industrial building, a 133 sq m (1,438 sq ft) caretaker's suite and a 19 sq m (210 sq ft) mezzanine as shown on the plans attached to and forming part of "City of Penticton Building Permit No. 2013-0443" and "City of Penticton Building Permit No. PR2014-0128"

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2012-5028" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Ronald Ritchard Green** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 001-655-833

Lot 9, District Lot 115, Similkameen Division Yale District, Plan 32316

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2013, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2013, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of his equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**NOR-MAR INDUSTRIES LTD.**

100-166 Main Street  
Penticton, BC  
V2A 5A4

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 682 Okanagan Avenue East and legally described as:

PID: 001-586-017

Lot 1, District Lot 3821S, Similkameen Division Yale District, Plan 23826

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-44 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 7 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

## Revitalization Tax Exemption

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

## Conditions of Maintaining Tax Exemption

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

## Term of Exemption

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

## Calculation of Tax Exemption

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.



5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after

it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).

13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

### **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

### **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

### **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

### **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

### **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

### **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

### **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )  
by its authorized signatories: )  
 )  
 )  
 )  
\_\_\_\_\_)  
Andrew Jakubeit, Mayor )  
 )  
 )  
\_\_\_\_\_)  
Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**NOR-MAR INDUSTRIES LTD.** )  
by its authorized signatory(ies): )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )  
 )

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include two (2) steel 860 sq m (9,257 sq ft) industrial warehouse buildings as shown on the plans attached to and forming part of "City of Penticton Building Permit No. 2014-0405", "City of Penticton Building Permit No. 2014-0435" and "City of Penticton Building Permit No. 2014-0515"

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-44" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **NOR-MAR INDUSTRIES LTD.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 001-586-017

Lot 1, District Lot 3821S, Similkameen Division Yale District, Plan 23826

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014 being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## **REVITALIZATION TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is dated for reference the 28th day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**BC TREE FRUITS COOPERATIVE**

1473 Water Street  
Penticton, BC  
V2A 1J6

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 272 Dawson Avenue and legally described as:

PID: 002-355-426

Strata Lot 2, District Lot 251, Similkameen Division Yale District, Strata Plan K358 Together With An Interest In The Common Property In Proportion To The Unit Entitlement Of The Strata Lot As Shown On Form 1

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-44 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 7 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;



NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

## **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

## **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

## **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

## **Time**

17. Time is of the essence of this Agreement.

## **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

## **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

## **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

## **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

THE CORPORATION OF THE CITY OF )  
PENTICTON )

by its authorized signatories:

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2015

**BC TREE FRUITS COOPERATIVE**

by its authorized signatory(ies):

Authorized Signatory:

Authorized Signatory:

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include tenant improvements to an existing industrial building to create retail and office space as shown on the plans attached to and forming part of "City of Penticton Building Permit No. 2014-0313"

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-44" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **BC Tree Fruits Cooperative** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 002-355-426

Strata Lot 2, District Lot 251, Similkameen Division Yale District, Strata Plan K358 Together With An Interest In The Common Property In Proportion To The Unit Entitlement Of The Strata Lot As Shown On Form 1

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014 being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**



## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**296296 BC LTD.**

282 Windsor Avenue  
Penticton, BC  
V2A 2K4

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 260 and 270 Martin Street and legally described as:  
  
PID: 026-010-585  
  
Lot 1, District Lot 202 and 4, Group 7, Similkameen Division Yale District, Plan KAP76035  
  
(the "Land");
- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-04 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 4 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

## **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

## **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

## **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

## **Time**

17. Time is of the essence of this Agreement.

## **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

## **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

## **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

## **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )  
by its authorized signatories: )  
 )  
 )  
 )  
\_\_\_\_\_)  
Andrew Jakubeit, Mayor )  
 )  
 )  
\_\_\_\_\_)  
Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**296296 BC Ltd.**  
by its authorized signatory(ies): )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )  
 )  
\_\_\_\_\_)  
Authorized Signatory: )  
 )

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include interior renovations to an existing commercial building to create a craft distillery with a tasting room as shown on the plans attached to and forming part of "City of Penticton Building Permit No. PR2014-0129" and façade improvements to an existing restaurant as shown on the plans attached to and forming part of "City of Penticton Building Permit 2014-0406"

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-04" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **296296 BC Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 026-010-585

Lot 1, District Lot 202 and 4, Group 7, Similkameen Division Yale District, Plan KAP76035

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.



The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**RORY ALEXANDER HOBBS**

356 Commercial Way  
Penticton, BC  
V2A 3H6

**WALCO HOLDINGS LTD.**

116 McConnachie Place  
Penticton, BC  
V2A 8H4

**0790794 BC LTD.**

673 Heather Road  
Penticton, BC  
V2A 6N8

(the "Owners")

WHEREAS:

- A. The Owners are the registered owner in fee simple of land in the City at 1356 Commercial Way and legally described as:

PID: 008-419-531

Lot 3, District Lot 3821S, Similkameen Division Yale District, Plan 17297

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2012-5028 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owners have constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 10 of the Bylaw;

- D. The Bylaw requires the Owners to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owners wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owners to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owners covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owners to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owners must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owners.
  - (b) **Change of Ownership** - The Owners must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owners must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owners must possess a valid business licence issued by the City in respect of the Land and authorizing the Owners or a tenant of the Owners to operate on the Land the land use that qualified the Owners for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2013, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. The City may, in its sole discretion, cancel the Tax Exemption Certificate at any time:
  - (a) on the written request of the Owners; or
  - (b) effective immediately upon delivery of a notice of cancellation to the Owners if at any time any of the conditions in the Tax Exemption Certificate are not met.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owners shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owners being the Owners of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owners by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owners must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, under no circumstances will the Owners 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owners.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

## **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

## **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

## **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owners, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owners.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owners, those persons shall be jointly and severally liable for performance of the obligations of the Owners under this Agreement.

## Schedules

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )

by its authorized signatories: )

)

)

\_\_\_\_\_) )

Andrew Jakubeit, Mayor )

)

)

\_\_\_\_\_) )

Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_) )

Rory Alexander Hobbs )

)

)

)

**Walco Holdings Ltd.** )

by its authorized signatory(ies): )

)

\_\_\_\_\_) )

Authorized Signatory: )

)

**0790794 BC Ltd.** )

by its authorized signatory(ies): )

)

\_\_\_\_\_) )

Authorized Signatory: )

)

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include a two storey 143 sq meter (1539 sq ft) addition with a repair garage on the ground floor with a watchman's quarters on the upper floor as shown on the plans attached to and forming part of "City of Penticton Building Permit PR2013-0411".



## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2012-5028" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Rory Alexander Hobbs, Walco Holdings Ltd. and 0790794 BC Ltd.** (the "Owners"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 008-419-531

Lot 3, District Lot 3821S, Similkameen Division Yale District, Plan 17297

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2013, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2013, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owners must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owners;
- (b) **Change of Ownership** - The Owners must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owners must not be in breach of this Agreement;
- (d) **Business Licence** – The Owners must possess a valid business licence issued by the City in respect of the Land and authorizing the Owners or a tenant of the Owners to operate on the Land the land use that qualified the Owners for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owners shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owners being the Owners of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owners by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**  
171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**MOUNTAIN ENTERPRISES LTD.**  
528 Main Street  
Penticton, BC  
V2A 5C7

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 437 Martin Street and legally described as:  
  
PID: 018-109-152  
  
Lot 1, District Lot 4, Group 7, Similkameen Division Yale (Formerly Yale-Lytton)  
District And Of District Lot 202, Similkameen Division Yale District, Plan  
KAP49078  
  
(the "Land");
- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-04 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 4 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

## **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

## **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

## **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

## **Time**

17. Time is of the essence of this Agreement.

## **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

## **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

## **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

## **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

THE CORPORATION OF THE CITY OF )  
PENTICTON )

by its authorized signatories:

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2015

**MOUNTAIN ENTERPRISES LTD.**

by its authorized signatory(ies):

Authorized Signatory:

Authorized Signatory:



## **Schedule "A"**

### **Description of Eligible Improvement**

The eligible improvements include tenant improvements to a vacant retail / commercial space for a furniture store as shown on the plans attached to and forming part of "City of Penticton Building Permit No. PR2014-0625."

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-04" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Mountain Enterprises Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 018-109-152

Lot 1, District Lot 4, Group 7, Similkameen Division Yale (Formerly Yale-Lytton)  
District And Of District Lot 202, Similkameen Division Yale District, Plan  
KAP49078

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## **REVITALIZATION TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**ERICSONS HOLDINGS LTD.**

52 Front Street  
Penticton, BC  
V2A 1H1

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 52 Front Street and legally described as:

PID: 012-445-151

Lot 20, Block 5, District Lot 202, Similkameen Division Yale District, Plan 269, Except Plan KAP81855

PIDs: 011-851-970, 011-852-003; 011-852-020

Lot 17A, 18A, 19A; District Lot 202, Similkameen Division Yale District, Plan 1067

PID: 011-852-089

That Part Of Lot 20A Shown On Plan B262, District Lot 202, Similkameen Division Yale District, Plan 1067, Except Plan KAP81855

PIDs: 012-445-118, 012-445-134, 012-445-142

Lot 17, 18 & 19, Block 5, District Lot 202, Similkameen Division Yale District, Plan 269

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2014-04 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has

determined that the Improvement is eligible for a tax exemption pursuant to Section 4 of the Bylaw;

- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.

8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

### **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

### **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

### **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

### **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

### **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.



## Joint and Several Liability

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## Schedules

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )

by its authorized signatories: )

)  
 )

\_\_\_\_\_)  
Andrew Jakubeit, Mayor )

)  
 )

\_\_\_\_\_)  
Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**ERICSONS HOLDINGS LTD.** )  
by its authorized signatory(ies): )

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Authorized Signatory: )

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Authorized Signatory: )

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## **Schedule “A”**

### **Description of Eligible Improvement**

Eligible improvements include interior renovations to a retail space to create a restaurant as shown on the plans attached to and forming part of “City of Penticton Building Permit 2014-001”.

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2014-04" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Ericsons Holdings Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 012-445-151

Lot 20, Block 5, District Lot 202, Similkameen Division Yale District, Plan 269, Except Plan KAP81855

PIDs: 011-851-970, 011-852-003; 011-852-020

Lot 17A, 18A, 19A; District Lot 202, Similkameen Division Yale District, Plan 1067

PID: 011-852-089

That Part Of Lot 20A Shown On Plan B262, District Lot 202, Similkameen Division Yale District, Plan 1067, Except Plan KAP81855

PIDs: 012-445-118, 012-445-134, 012-445-142

Lot 17, 18 & 19, Block 5, District Lot 202, Similkameen Division Yale District, Plan 269

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"),

then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before  
the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year  
2014, being the year in which the City issued a building permit in respect  
of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**SOUTHWOOD PROPERTY CORPORATION**

1277 Gordon Drive  
Kelowna, BC  
V1W 3C5

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 3475 Wilson Street and legally described as:  
  
PID: 028-931-891  
  
Lot 1, District Lot 116, Similkameen Division Yale District, Plan EPP20927  
  
(the "Land");
- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2012-5028 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 14 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

## Revitalization Tax Exemption

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

## Conditions of Maintaining Tax Exemption

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

## Term of Exemption

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

## Calculation of Tax Exemption

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2012, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after



it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).

13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

### **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

### **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## **Schedules**

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF  
PENTICTON**

by its authorized signatories:

\_\_\_\_\_  
Andrew Jakubeit, Mayor

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**SOUTHWOOD PROPERTY CORPORATION**  
by its authorized signatory(ies):

\_\_\_\_\_  
Authorized Signatory:

\_\_\_\_\_  
Authorized Signatory:

## **Schedule "A"**

### **Description of Eligible Improvement**

Eligible improvements include a seniors retirement resort, featuring two building and an amenity building with 125 congregate housing rooms as shown on the plans attached to and forming part of "City of Penticton Building Permit No. PR2012-0652."

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2012-5028" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 25<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Southwood Property Corporation** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 028-931-891

Lot 1, District Lot 116, Similkameen Division Yale District, Plan EPP20927

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2012, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2012, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

## REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2015

BETWEEN:

**THE CORPORATION OF THE CITY OF PENTICTON**

171 Main Street  
Penticton, BC  
V2A 5A9

(the "City")

AND:

**0868648 BC LTD.**

1000 Lakeshore Drive West  
Penticton, BC  
V2A 1C1

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 1000 Lakeshore Drive West and legally described as:

PID: 002-329-468

Lot 3, District Lot 3, Group 7, Similkameen Division Yale (Formerly Yale-Lytton)  
District, Plan 1897

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2012-5028 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and the significant alteration and improvement of existing buildings within specified areas of the City that Council considers need revitalization;
- C. The Owner has constructed new improvements on the Land as described in Schedule "A" to this Agreement (the "Improvement") and has applied to the City to take part in the Revitalization Tax Exemption Program in respect of the Improvement and the City has determined that the Improvement is eligible for a tax exemption pursuant to Section 12 of the Bylaw;
- D. The Bylaw requires the Owner to enter into a tax exemption agreement with the City as a precondition to receiving a tax exemption under the Bylaw and the Owner wishes to enter into this Agreement on the terms and conditions set out below;

NOW THEREFORE in consideration of the promises and premises of this Agreement, the payment by the Owner to the City of consideration in the amount of \$10.00 (Ten Dollars), and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged by both parties), the City and the Owner covenant and agree as follows:

### **Revitalization Tax Exemption**

1. As soon as practicable after this Agreement is fully executed by both parties, the City shall issue a revitalization tax exemption certificate (the "Tax Exemption Certificate") in the form attached as Schedule "B" to this Agreement and provide it to the British Columbia Assessment Authority, entitling the Owner to a tax exemption in respect of the municipal property taxes due under Section 197(1)(a) of the *Community Charter* in relation to the improvements on the Land (the "Tax Exemption") in accordance with the terms and conditions of this Agreement and the Bylaw.

### **Conditions of Maintaining Tax Exemption**

2. The Tax Exemption Certificate is subject to the following conditions:
  - (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
  - (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
  - (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
  - (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

### **Term of Exemption**

3. Provided the requirements of the Tax Exemption Certificate are met and continue to be met, the Tax Exemption shall be for a term of five (5) years (the "Term"). The Tax Exemption shall apply to a calendar year if the Exemption Certificate is issued on or before October 31 in the preceding year. If the Exemption Certificate is issued after October 31, then the Tax Exemption shall not apply to the following calendar year, but to the year after that.

### **Calculation of Tax Exemption**

4. The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:



the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in 2014, being the year in which the City issued a building permit in respect of the Improvement.

5. Notwithstanding Section 4, if improvements other than those comprising the Improvement are made to the Land during the Term and those further improvements are not eligible for tax exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be reduced by the taxes payable on the ineligible improvements, and shall be calculated using the following formula

Tax Exemption – (Value of Ineligible Improvements x Current Year Tax Rate)

### **Cancellation**

6. 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.

### **Recapture of Exempted Taxes**

7. If the City cancels a Tax Exemption Certificate for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received under this Agreement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given at a time prior to the Owner being the owner of the Land.
8. If the City cancels a Tax Exemption Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the property tax roll for the Land.

### **Compliance with Laws**

9. The Owner must at all times during the Term use and occupy the Land, including the Improvement, in compliance with all enactments, regulations, and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, bylaws, licences, permits or approvals, including all the rules, regulations, policies, guidelines, criteria or the like made under any such laws.

### **No Refund**

10. For clarity, 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.

### **Notices**

11. All notices to be given under this Agreement must be in writing and may be delivered by hand or mailed by first-class prepaid registered mail.
12. Any notice delivered by hand is deemed to be given and received on the day it is delivered. Any notice mailed is deemed to be given and received on the fourth day after it is posted (unless there is a mail strike, slow down or other labour dispute which might affect delivery, in which case the notice will be effective only if actually delivered).
13. Notices must be addressed to the addresses on page 1 or to such other address as may from time to time be advised by a party in writing.
14. Notices to the City must be addressed to the attention of the "Corporate Officer".

### **Powers Preserved**

15. Nothing contained in or implied by this Agreement prejudices or affects the rights and powers of the City in the exercise of its functions under any enactment or at common law, all of which may be fully and effectively exercised in relation to the Improvement and the Land.

### **Relationship**

16. Nothing in this Agreement is to be interpreted as creating an agency, partnership or joint ventureship between the City and the Owner.

### **Time**

17. Time is of the essence of this Agreement.

### **Remedies not Exclusive**

18. No reference to or exercise of any specific right or remedy by the City prejudices or precludes the City from any other remedy, whether allowed at law or in equity or expressly provided for herein.

### **Headings**

19. The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

## **Waiver**

20. An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach in respect of which the waiver is asserted. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

## **Interpretation**

21. Wherever the singular or masculine or neuter is used in this Agreement, the same will be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

## **Severance**

22. If any section, subsection, clause or phrase of this Agreement 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 Agreement.

## **Enurement**

23. This Agreement enures to the benefit of and is binding upon the parties and their respective successors and in the case of the Owner, its permitted assignees.

## **Statutory References**

24. A reference in this Agreement to a statute includes regulations made pursuant to it and includes all amendments and replacements to them from time to time.

## **Modifications**

25. No amendment or modification of any of the terms or provisions of this Agreement will be of any force or effect unless the amendment or modification is in writing and duly executed by the City and the Owner.

## **Governing Law**

26. This Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

## **Joint and Several Liability**

27. In circumstances where two or more persons comprise the Owner, those persons shall be jointly and severally liable for performance of the obligations of the Owner under this Agreement.

## Schedules

28. The following schedules are incorporated into this Agreement:

Schedule "A" – Description of the Improvement

Schedule "B" – Tax Exemption Certificate

As evidence of their agreement to be bound by the terms of this Agreement, the parties have executed this Agreement on the dates written below.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**THE CORPORATION OF THE CITY OF** )  
**PENTICTON** )

by its authorized signatories: )

)

)

\_\_\_\_\_) )

Andrew Jakubeit, Mayor )

)

)

\_\_\_\_\_) )

Dana Schmidt, Corporate Officer )

DATED the \_\_\_\_ day of \_\_\_\_\_, 2015

**0868648 BC Ltd.**

by its authorized signatory(ies): )

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\_\_\_\_\_) )

Authorized Signatory: )

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\_\_\_\_\_) )

Authorized Signatory: )

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## **Schedule “A”**

### **Description of Eligible Improvement**

Eligible improvements include the interior and exterior alterations to an existing food and beverage commercial building as shown on the plans attached to and forming part of “City of Penticton Building Permit No. PR2014-0647”.

## Schedule "B"

### Tax Exemption Certificate

In accordance with the "City of Penticton Economic Investment Zone Bylaw No. 2012-5028" (the "Bylaw") and in accordance with a Revitalization Tax Exemption Agreement dated for reference the 28<sup>th</sup> day of September, 2015 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **0868648 BC Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 002-329-468

Lot 3, District Lot 3, Group 7, Similkameen Division Yale (Formerly Yale-Lytton)  
District, Plan 1897

(the "Land");

on which has been constructed an improvement eligible under the Bylaw and the Agreement for a Revitalization Tax Exemption (the "Improvement");

This Certificate certifies that the Land is subject to a Revitalization Tax Exemption under section 226 of the *Community Charter*.

The extent of the Tax Exemption is 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the value of improvements eligible for exemption under the Bylaw and the Agreement, as the value of those improvements varies from year to year during the term of the Tax Exemption.

The annual Tax Exemption under this Agreement is equal to 100% of the municipal property tax under section 197(1)(a) of the *Community Charter* payable on the difference between:

the then most current assessed value of the improvements on the Land

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

Notwithstanding the above formula, if improvements other than those comprising the Improvement are made to the Land during the term of the Tax Exemption and those further improvements are not eligible for Tax Exemption under the Bylaw ("Ineligible Improvements"), then the annual Tax Exemption under this Agreement shall be equal to 100% of the municipal property tax under s.197(1)(a) of the *Community Charter* payable on the difference between:

the most current assessed value of the improvements on the Land before the construction of the Ineligible Improvements

and

the assessed value of the improvements on the Land (if any) in the year 2014, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is five years, for each of the taxation years 2016 to 2020 inclusive.

This Certificate is issued on the following conditions:

- (a) **Payment of Taxes** – The Owner must fully pay all outstanding property taxes levied by the City, including penalties and interest, that are payable in respect of the Land, including any taxable improvements, and that are payable in respect of all other properties within the City owned by the Owner, or any Owner in the circumstance where two or more persons constitute the Owner;
- (b) **Change of Ownership** - The Owner must not sell, assign or otherwise transfer all or a portion of its equitable or legal interest in the Land unless the transferee takes an assignment of this Agreement, in a form satisfactory to the City, and agrees to be bound by it;
- (c) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (d) **Business Licence** – The Owner must possess a valid business licence issued by the City in respect of the Land and authorizing the Owner or a tenant of the Owner to operate on the Land the land use that qualified the Owner for special incentives under the Bylaw;

If this Certificate is cancelled for any reason, the Owner shall remit to the City an amount equal to the value of any and all tax exemptions received in respect of the Improvement, plus interest at the rate of 5% p.a., calculated semi-annually not in advance, as calculated by the City's Revenue Supervisor, as if the taxes had never been exempted (the "Recapture Amount"), even if the tax exemption was given prior to the Owner being the Owner of the Land.

If the City cancels this Certificate for any reason and the Recapture Amount is not paid in full by the Owner by December 31 of that year, then the City's Revenue Supervisor may add the Recapture Amount to the roll for the Land.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

THE CORPORATION OF THE CITY OF PENTICTON  
by its authorized signatory

\_\_\_\_\_  
Dana Schmidt, Corporate Officer

**END OF AGREEMENT**

# Council Report



**Date:** September 28, 2015 **File No:** 2965 South Main Street Address File  
**To:** Eric Sorensen, City Manager  
**From:** Len Robson, Manager of Public Works  
**Subject:** 2965 South Main Street – License to Use – Incredible Edible Garden

## Staff Recommendation

1. THAT Council instruct staff to enter into a short term "License to Use" agreement for a portion of 2965 South Main Street, for the purposes of setting up a Community Garden operated by the Incredible Edible Garden Society;

AND THAT the 2015 financial plan be amended for the provision of water and top soil in an amount not to exceed \$2,000.

### Or

2. THAT Council defer the request to develop a community garden on 2965 South Main Street until such time as a long term Strategic Plan has been developed for the property.

## Strategic priority objective

N/A

## Background

This property currently is the home of the Seniors Drop-In Center and is surrounded with senior's recreation opportunities including a horse shoe club, a bocce court, and a pickleball court. Presently there is a house on the property which will be removed in the future pending budget approval. The 2 lots that make up this property are currently zoned P1 – Parks .

Various recreational and other uses have been suggested or discussed for this property such as passive green space, outdoor shuffle board, pickleball court expansion, lawn bowling, reconfiguration of the Senior's Center driveway and overflow parking. There is no overall site plan or strategic plan that has been developed and approved for this site.



At the August 17<sup>th</sup>, 2015 Council meeting, Hilma Labelle, representing the Incredible Edible Garden Society made a presentation to Council requesting the use of a portion of 2965 South Main Street for the purposes of developing a community garden plot.

In her presentation she suggested that the garden plot be constructed in lieu of the landscape restoration that would be occurring around the newly constructed pickleball courts. This concept is not recommended due to the requirements of the pickleball court usage.

There is currently an undeveloped area on this property that may be considered for temporary use as a community garden as noted in Figure 1 - 2965 South Main Street Site.

The area of land identified as undeveloped currently receives a minimal amount of annual maintenance. The Parks Department trims the weeds up to 3 times per year and collects any litter that may accumulate. Total expense to maintain is estimated at \$500 per year.

## Figure 1. 2965 South Main Street Site



The Incredible Edible Garden Society is a group of volunteers that look for areas of private and publicly owned property to develop food gardens. The concept is that anyone can work on the garden and use the food that is produced.

The area identified as undeveloped is serviced with water but would require excavation and installation of a spigot suitable for gardening use. In addition topsoil would be required to create a suitable garden area.

## Financial implication

Water connection, installation of a spigot and supply and delivery of topsoil is estimated to cost up to \$2,000.

## Analysis

Granting a long term License to Use a portion of this property without giving due consideration to the overall site strategy may limit the future opportunities.

A community food garden will require considerable effort to maintain to a standard of curb appeal that would be acceptable along a main arterial road and the front entrance to the Seniors Drop-in Center. As this garden plot would be maintained by volunteers, if Council wishes to proceed with the issuance of a License to Use, it is recommended that conditions be written into the document to ensure this standard is met.

Discussions with the Manager of the Senior's Drop-in Center suggest that the Executive Director does not support issuing a License to Use for the proposes of a community garden. Concerns include potential of increased vandalism and increased pressure on their parking lot, which at times is at capacity.

## Alternate recommendations

1. THAT Council provide staff with further direction on this matter.

## Attachments

N/A

Respectfully submitted,



Len Robson, ASCT  
Public Works Manager

## Approvals

| Director                                                                            | Acting City Manager |
|-------------------------------------------------------------------------------------|---------------------|
|  | CF                  |

# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Len Robson, Public Works Manager  
**Subject:** **Solid Waste & Recycle Collection – Cart Program**

File No: 5380-30

## Staff Recommendation

THAT Council approve the implementation of a cart based solid waste and recycle collection program to be implemented in 2016, the design of such will be based on a review of the residential curbside needs and feedback received;

AND THAT Council give first three readings to Loan Authorization Bylaw No. 2015-xx to borrow \$500,000 for thirteen (13) months, to fund a portion of a cart based solid waste and recycle collection program;

AND THAT Council approve the use of Multi Material BC funds for the remainder of the costs associated with the program.

AND FURTHER THAT once the debt for the capital cost of the cart based collection program is retired that the future Multi Material BC incentives be used as follows:

- \$156,000 be retained in the Solid Waste and Recycle Reserve Fund for the future cart replacement or related use; and
- The remainder be used to offset the recycle fees levied on the rate payers.

## Strategic priority objective

N/A

## Background

The purpose of this report is to provide Council with data to support the conversion of the present solid waste curbside collection program to a 3 cart/tote program and to consider the use of the Multi Material BC incentive for funding of the same.

### Current Solid Waste and Recycle Program:

Penticton's residential curbside solid waste and recycle collection service includes the following:

- Weekly garbage collection – 2 bag or container limit

- Bi-weekly recycle collection – unlimited quantity – blue bag/blue box/tote
- Bi-weekly yard and garden waste collection – unlimited quantity – March to December (first week)
- Once per year large item collection – 2 items per house hold

Fees for these services are:

- Solid Waste - \$132 / year / property
- Recycle - \$45 / year / property

Curbside solid waste and recycle services are currently provided by way of contract with BFI/Progressive Waste Services. The current contract expires on June 30th, 2018. The contract includes provisions for collection to be provided by way of carts/totes with no change in the current contract fees.

#### Proposed 3 Cart / Tote Solid Waste and Recycle Program

A cart program for the City of Penticton would consist of 3 carts as follows:

1. Garbage Cart – 35 gallon (135 liter) cart – collected weekly
2. Recycle Cart – 65 gallon (246 liter) cart – collected bi-weekly
3. Yard Waste Cart – 65 gallon (246 liter) cart – collected bi-weekly – March to December (first week)

There are no plans to change what is collected at the curb or the frequency of collection. During the program design phase consideration will be given to address the challenge of high volumes of yard waste during spring and fall each year.

#### What are the benefits of moving to a cart based program?

1. Municipalities and Regional Districts referenced, report high level of customer satisfaction with their cart program;
2. Customers report that carts are convenient for storage and easy to move to the curb for collection;
3. Solid waste collection service providers advise that cart programs are the way of the future, some have suggested that traditional collection contracts may not receive competitive bidding in the future;
4. Costs to the resident are reduced as there is no need to contain recycle or yard waste and in some cases the garbage does not need to be contained;
5. Environmental benefits include elimination or reduction of the need for plastic bags and a more efficient collection process;
6. Carts create a uniformity and fairness for garbage collection as all containers are the same size and are not open to the discretion of the operator;
7. Street scape aesthetics are improved;
8. As all totes have tight fitting lids they do minimize the amount of litter that is blown or falls from the container resulting in less litter on the streets and lanes. Tight fitting lids also deter pests from accessing garbage. Totes can also be made bear proof for areas where this may be desirable. The lids also keep out the rain and snow which adds weight to the container which ultimately increases the tipping fees paid by the City;
9. Rather than one size fits all service, the totes can be sized to accommodate the specific needs of the user. Typically standard sizes are provided to ensure that most residents' needs are met. If the

standard size does not meet the requirements of the resident they can elect to receive a larger tote. For larger garbage and yard waste containers there would typically be an increased cost. Larger recycle totes are typically provided with no increased costs. Alternatively if a resident elects to not have yard waste collected they could receive a reduction in annual costs;

10. Cart programs reduce the rate of worker injuries, and increase the diversification of the work place age and gender;
11. Cart based programs can be designed to meet waste diversion goals by decreasing garbage volumes and encouraging recycling;
12. Cart programs allow the use of technology to better manage the Solid Waste and Recycle Collection Program by embedding radio frequency tags into totes that can be read from the trucks. This can be used to identify lost or stolen bins, identify waste contamination addresses and volumes of waste generated; and
13. Carts programs clearly define the scope of work for service providers which reduces risk during the bid process. A clearly defined scope of work results in competitive pricing for future collection contracts.

The cart program will be designed to address the following:

1. Life cycle costs of program
  - Based on a conservative 10 year lifecycle for the carts an estimated \$156,000 per year will be placed into the Solid Waste and Recycle Reserve to replace the carts in the future
2. Yard and garden waste collection alternatives
  - Alternatives to be considered by council will include a drop off facility, unlimited curbside collection early spring and late fall, additional carts for additional fee or a tag a bag system
3. Flexibility of collection options
  - A base program will be developed that will suit most customer needs. Additional and various sized carts will be made available. Costs will be based on service level selected.

Program Implementation Scheduling

The development and implementation of a cart program is expected to take approximately 12 months as outlined in the high level schedule below:

- |                                                    |                            |
|----------------------------------------------------|----------------------------|
| • Council Approval to Proceed                      | September, 2015            |
| • Public Consultation – Program Design             | September - December, 2015 |
| • Cart Procurement and Delivery (6 month delivery) | January – June, 2016       |
| • Cart Assembly and Delivery                       | July – August, 2016        |
| • Public Education Program                         | June – September, 2016     |
| • Program Commencement                             | September, 2016            |

Solid Waste and MMBC Contract Dates:

- |                                                      |                           |
|------------------------------------------------------|---------------------------|
| • Solid Waste and Recycle Collection Contract Expiry | June 30, 2018             |
| • MMBC Contract Expiry (recycle contract)            | November 30, 2018 (+1,+1) |

## **Financial implication**

### Program Expense:

The proposed cart program is estimated at \$1,590,172 based on the following:

- 9,600 residential customers
- 3 carts (garbage, recycle, yard waste)
- Assembly and distribution costs
- Consultant & education and rollout cost
- 5% Surplus Carts and Contingency

### Funding:

This report proposes to fund the tote purchase with the monthly financial incentives received for participating in the Multi Material BC (MMBC) program.

The City entered into a five (5) year agreement with MMBC for the collection of recyclables which commenced in May 2014. The agreement includes a financial incentive paid to the City of approximately \$39,000 per month. The incentive is currently being deposited into a solid waste and recycle reserve account.

It is proposed to fund the cart program by utilizing the accumulated balance of the solid waste and recycle reserve account and to debt finance the remaining balance. The monthly MMBC incentive would then be utilized to repay the debt.

Based on a 10 year lifecycle for the carts the projected annual replacement cost is estimated at \$156,000 per year. Once the initial capital cost of the program is retired (October 2017) the MMBC financial incentives estimated at \$467,000 per year may be used to supplement the Solid Waste and Recycle Reserve for the purposes of cart replacement. The remaining \$311,000 could be used to offset the recycle costs to the rate payers. This opportunity may be considered as a “win / win” as the service levels are increased and the rates eventually can be reduced.

It is important to note that the MMBC contract contains a clause that allows for 180 day notice to terminate the contract for any reason. Although there is no present indication that this program is at risk, in the event this clause was invoked the City would have to fund the remaining balance owing via the solid waste and recycle rates.

## **Analysis**

Many factors are to be considered when contemplating implementing a cart program for a City. Research for this report included discussions with participating municipalities, regional districts, MMBC and contractors that currently provide cart collection services.

Overall the municipalities referenced report high customer satisfaction with the cart program. Implementation has not been without some complaints and challenges; however, these are relatively small in comparison to overall satisfaction. Implementing a cart based program in the City of Penticton will

modernize our method of collection and will allow the garbage and recycle collection program to be customized to fit the community.

References report that other than observing increases in the amount of yard waste and organics diverted, garbage and recycling volumes have remained relatively consistent with the implementation of the new program.

The current solid waste contract has provisions to move to a cart based program with no increase in collection costs. The development of the cart program prior to tendering the new contract in 2018 will provide clarity for all bidders ensuring a competitive bid process. Staff recommends implementing the proposed cart program a minimum of 20 months prior to soliciting proposals for the next solid waste and recycle collection contract.

Staff is recommending the implementation of a cart based solid waste and recycle collection program to update our current service level. The cart purchase fees are to be paid for by utilizing the MMBC financial incentives received for the collection of recyclables. The program design will include a public feedback process that will be undertaken pending approval to proceed.

Program implementation would be scheduled for September 2016.

#### **Alternate recommendations**

THAT Council not approve the implementation of a cart based solid waste and recycle collection program; or

THAT Council request staff provide a report on options that may be available for utilizing the financial incentives received by Multi Material BC for participation in their recycle program.

#### **Attachments**

Appendix A – Supporting Information

Respectfully submitted,



Len Robson, AscT  
Public Works Manager

#### **Approvals**

| Director                                                                            | CFO                                                                                 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |

## Appendix A – Supporting Information

### Timing of Cart Implementation:

Implementing a cart program prior to the June 30<sup>th</sup>, 2018 expiration of the existing collection services contract is beneficial for the following reasons:

- Implementing a new City supplied cart program at the same time as a new contractor commences collection services may increase the opportunity for disruption to the customer.
- The 20 months between cart program implementation and contract expiration will allow the program/service level to be adjusted, as may be required, prior to tendering and implementing a new contract. As the cart program will be well established the level of service for the next solid waste and recycle collection contract will be accurately defined. This will minimize contractor bid risk and ensure accurate competitive bids on the next service contract.
- Collection of a fully automated cart program is expected to increase the speed of collection which may result in new garbage collection routes being developed. Developing the new routes prior to going out to tender for a new contract is beneficial as it can be supplied to all bidders which will encourage competitive bidding and possibly reduce costs.
- Implementing a cart program with less than 20 months remaining on the collection contract is unfair to the contractor. They are required to invest significant dollars to upgrade their equipment to handle the automated collection. If the Council decision is to defer the implementation until a later date it is recommended that the new date is set for the spring of 2019.

### Solid Waste Collection and Containment Costs

A resident's true cost of solid waste collection is comprised of containment costs and collection costs.

| Program                | Containment Requirements                                                                                                                                                                                                                                                     | Annual \$     |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Traditional Collection | Plastic Garbage Bags (2 / week @ \$0.10/bag) - \$10.40 / yr<br>Recycle Blue Bags (1 / week @ \$0.30/bag) - \$15.60 / yr<br>Yard & Garden Waste Bags ( 1 / week @ \$0.46/bag) - \$17.94 / yr<br>Garbage Can or Container (\$32.99 / unit – life cycle 10 years) - \$3.30 / yr | \$ 47.24 / yr |
| Cart Program           | Plastic Garbage Bags (2 / week @ \$0.10/bag) - \$10.40 / yr<br>Recycle Blue Bags – Not required - \$0 / yr<br>Yard & Garden Waste Bags – Not required - \$0 / yr<br>Cart - 10 year lifecycle cost of carts to replace - \$16.50 / year                                       | \$26.90 / yr  |

The above noted containment costs are based on assumptions of average user requirements. The savings are due to the cart / tote program not requiring the customer to purchase bags to contain the waste & recycle materials. Each single family residence is expected to save approximately \$20 per year to contain their waste.

Collection costs are all costs associated with the curbside collection of waste material. The collection costs for servicing a cart program are difficult to estimate at this time. Collection fees will be dependent on design of the program, duration of contract, and economic conditions at time of tender. Overall contract collection fees are not anticipated to increase significantly due to automated collection.



Solid waste and recycle collection fees are set and reviewed annually based on overall cost of service.

### Multi Material BC Feedback

Discussions with MMBC suggest that source separation of recyclables is the preferred collection method. Source separation requires the property owner to sort their recyclables prior to placing at the curb. Commonly this is done by way of blue box for containers and colored bags for fibers. MMBC has determined that source separation of recyclables results in less contamination than co-mingled collection of recyclables.

As cart programs can only support a co-mingled recycle collection process future MMBC financial incentives may be decreased for co-mingled recyclables or conversely increased for source separated.

### Collection Companies Feedback

Research for this report included speaking with solid waste and recycle collection service providers to solicit their feedback on the experience of servicing a municipality with a cart program versus a traditional container program.

The following is a summary of comments that were provided for consideration:

- Carts are the future way of providing collection services;
- Some contractors may not bid on traditional collection services in the future;
- Moving to a cart based program may not decrease collection costs as there is a significant additional cost to equip collection trucks with mechanical arms to collect carts. Longer term contract may decrease costs as equipment can be depreciated over a longer time frame. Current 5 year contracts do not allow companies to fully realize the capital investment of the equipment, 8 or 9 year contracts are suggested;
- Carts minimize operator injuries and potential fatalities increasing safety and ultimately reducing workers compensation costs which can be passed on to the municipality by way of competitive contract pricing;
- As cart collection services do not require heavy lifting by the operator, carts allow for a more diversified work force including age and gender;
- Cart programs work best if the municipality owns the carts versus the collection contractor;
- Depending on back lane conditions collection with carts may have to be relocated to the street side; and
- In order to gain full efficiencies of the program all curbside material must be contained in a cart.

Contractors referenced indicated that moving to a cart based program has been done successfully in many municipalities and is the future of solid waste collection. Solid waste collection by way of carts are not necessarily going to reduce costs as there are many variables to consider such as expected services levels and contract duration.

### Municipalities Feedback

Research for this report did include speaking with various municipalities and regional districts to gather feedback on their experience on switching from a tradition solid waste collection program to a cart based program.

Summary of comments provided include the following:

- Residents are generally satisfied with the cart program;
- There have been some challenges with regards to the limits placed on yard waste;
- Some homes and townhouses have challenges storing 3 carts;
- Lost, stolen, or damaged carts are not much of a concern;
- RF identification or registering serial numbers to properties is a good idea;
- Variety of sizes and option to have multiple carts is beneficial in customizing the cart program to the property owner;
- Education and program roll out are extremely important in making the program a success; and
- The implementation of kitchen waste carts has significantly increased the landfill diversion percentage. It is suggested that once kitchen waste is diverted from the garbage the frequency of collection could be increased to every 2 weeks.

Municipalities referenced indicated positive feedback was and continues to be received from customers. A well planned education program and cart rollout is critical in ensuring the program is a success. All municipalities require all waste materials to be contained within the carts, and all offer a variety of cart sizes to fit the customer's needs. Additional and up-sized carts are charged accordingly for the increased service level.

#### Public Consultation Process – Design of the program

Pending the approval of council to proceed with the implementation of a 3 cart solid waste and recycle collection program, the public will be educated and consulted to ensure the design of the program meets the needs of the residents. Feedback on items such as cart size, frequency of collection, excess yard and garden waste collection, cart storage, and related issues will be sought. The program design will be based on the feedback received.

Implementation of a cart based solid waste and recycle collection program will take significant lead time as there are many considerations that need to be addressed including, public consultation & education, program design, procurement of carts, and assembly & rollout of carts. If this recommendation is endorsed by Council a rollout could tentative be planned for September 2016.

# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Dana Schmidt, Corporate Officer  
**Subject:** **Committee Terms of Reference**

File No:

---

## Staff Recommendations

1. THAT Council approve the Parks and Recreation Masterplan Steering Committee Terms of Reference dated September 28, 2015.
2. That Council approve the amendment to the Heritage and Museum Committee Terms of Reference to add that organizations may request the addition of alternate appointments to the Committee.

## Strategic priority objective

None

## Background

At the September 8<sup>th</sup> regular meeting of Council, a resolution was made to draft terms of reference for a Parks and Recreation Master Plan Steering Committee. The attached draft terms of reference include recreation as it is felt that recreation uses must be addressed when preparing a masterplan for parks.

Council also received a request for amendment to the Heritage and Museum Committee terms of reference to include the ability for an organization to request that an alternate representative be appointed to the committee. This approach is not recommended by staff, as it can result in redundancy to catch up members who haven't attended regularly. However, the Committee has struggled to achieve quorum and believes that this amendment will resolve the issue.

## Alternate recommendations

That Council directs changes to the draft Parks and Recreation Masterplan Steering Committee terms of reference.

That Council deny the request to amend the Heritage and Museum Committee's Terms of Reference.

## **Attachments**

Attachment A - Parks and Recreation Masterplan Steering Committee Terms of Reference

Attachment B - Heritage and Museum Committee Terms of Reference

Respectfully submitted,

Dana Schmidt

Corporate Officer

## **Approvals**

Acting City Manager

CF



## **2015 – 2016 Terms of Reference**

### **Parks and Recreation Masterplan Steering Committee**

1. The Committee shall consist of **NINE (9)** voting members appointed by City Council to steer the Masterplan process.

The membership shall consist of 9 voting members from the public with preference given to:

- (1) Penticton School District 67
  - (1) School District 67 Principal
  - (1) member of Tourism Penticton
  - (2) members of an organized field sport (Note: not the same sport)
  - (1) member from a parks Special Event Group
  - (1) member from the development community
  - (2) members of the general public with an interest in parks
2. The Committee Members shall put forward 3 names of committee members from which Council will appoint a Chair.
  3. Council shall appoint two (2) non-voting Council Representatives to the Committee for the duration of the creation of the Masterplan.
  4. Role of Council Representatives:
    - Non-Voting Member
    - Liaison to City Council
  5. A majority of appointed voting members shall constitute a quorum.
  6. The Manager of Recreation and Supervisor of Parks or their designates, shall attend committee meetings to provide operational support to the Committee.
  7. The Corporate Administration Department shall arrange for secretarial services to the Committee.
  8. The Committee shall meet regularly on a monthly basis.

9. The Committee's mandate is to guide the creation of a Parks and Recreation Masterplan to be completed no later than April 2017. It is fundamental to the efficacy of the Committee that the members recognize that they represent the citizens of the City of Penticton as a whole and not only special interests. The committee will:

- Provide input into the creation of terms of reference for a proposal call to engage the services of a consultant to complete a Parks and Recreation Master Plan;
- Appoint committee members to work with City staff to review and rank proposals;
- Recommend the hiring of a consultant to Council;
- Work with the Masterplan consultant and the community to establish recommendations for the Parks and Recreation Masterplan which will include:
  - o Creation of a parks inventory;
  - o Municipal per capita park space comparisons by park type;
  - o Per capita park space standards by park type;
  - o Needs assessment for park space for social, recreational and sport needs;
  - o The impact and opportunities related to regional parks and sports fields;
  - o Development of goals and principals to guide future park decisions;
  - o Recommend rules and regulations concerning the long term planning, construction, management, control, and use of parks and park recreation facilities;
  - o Evaluation and recommendations for amendments to the parks sections of the OCP and Zoning Bylaw, the Parks Dedication Bylaw and the Park Regulation Bylaw;
  - o Identification of areas for parks space land acquisition and disposal;
  - o Identification of changes to parks operations and maintenance standards and capital construction requirements;
  - o Funding strategy to address the recommendations made; and
  - o Development of a 10 year capital plan for parks and funding model.
- Engage with Focus groups on various topics including but not limited to an Organized Sport Focus Group and a Youth Focus Group;
- Develop and participate in Public engagement strategies related to the creation of the Masterplan; and
- Provide comment on the value of a Parks and Recreation Advisory Committee to the City.

10. Disqualification from Office

If an advisory committee member is continuously absent from committee meetings for a period of three (3) consecutive regularly scheduled meetings, unless the absence is because of illness or with the leave of the committee members, the office of the member is deemed to be vacant and the person who held the office is disqualified from holding office on any advisory committee of the City of Penticton for a period of one year.

11. Should a Closed meeting be held by the Committee, members must keep in confidence, any information considered in any part of said meeting until such time as the information is released to the public as lawfully authorized or required. Should the municipality suffer loss or damage due to contravention of confidentiality, the municipality may recover damages from the person(s) for the loss or damage.

- Closed Meeting – no meeting or part thereof shall be closed to the public except in accordance with Section 90 of the Community Charter.
12. The Mayor will sign all correspondence initiated by the Committee on behalf of the City of Penticton.
  13. For certainty, the rules and procedures of Procedure Bylaw 2004-23 and all amendments thereto shall be observed as far as may be applicable.

1. The Committee shall consist of **NINE (9)** voting members appointed by City Council for a term ending December 31, 2016.

- One (1) Shatford Centre and Okanagan School of the Arts representative
- One (1) Leir House representative
- One (1) Penticton Library representative
- One (1) Okanagan College representative
- One (1) School District 67 representative
- One (1) SS Sicamous Society representative
- One (1) Penticton Indian Band representative

Each organization above may request that One (1) alternate be appointed by Council. Alternate members may attend any committee meeting, however, they may only vote or be counted as part of quorum when the regular member is absent.

- Two (2) at-large members of the Community on the basis of their knowledge or an interest in arts and culture that could include, but is not limited to:
    - o Aboriginal groups
    - o Students and youth
    - o Educators, teachers, professors – currently employed or otherwise
    - o Archivist
    - o Conservationist
    - o Business community
2. The Committee Members shall appoint a Chair and Vice-Chair at the first meeting of each year.
3. Role of Council Representatives:
- One (1) Representative
  - Non-Voting Member
  - Liaison to City Council
4. A majority of appointed voting members shall constitute a quorum.



5. The General Manager of Recreation and Facilities and the Penticton Museum & Archives Curator/Manager or designate, shall attend committee meetings to provide operational support to the Committee.
6. The Corporate Administration Department shall arrange for secretarial services to the Committee.
7. The Committee shall meet on a regular basis but not less than four (4) times per year.
8. The Committee's mandate is to make recommendations to the Council on all matters referred to the Committee, including:
  - The Committee undertakes to promote the interests of the Penticton Museum & Archives, SS Sicamous Society, Shatford Centre and Okanagan School of the Arts, Leir House and other educational and knowledge-based sectors desiring support, such as the Penticton Library, Okanagan College and School District 67.
  - The Committee will provide leadership and/or support to the Penticton Museum & Archives, SS Sicamous Marine Museum, the Shatford Centre, Leir House and other educational and knowledge-based sectors desiring leadership and input with respect to:
    - o Planning and design of exhibits
    - o Programs and events
    - o Partnership and collaborative undertakings
    - o Promotions
    - o Long-range planning
  - The Committee will use the City's Heritage Strategy as its basis for advising City Council and its boards, agencies, commissions, committees or staff, developers and citizens when reasonable and objective advice and guidance on heritage issues as needed.
  - The Committee will respect the existing governance and direction provided to the Penticton Library, Okanagan College and School District 67 and Penticton Indian Band, and will tap into their collective insight and expertise to better inform the community's heritage and knowledge resources.
  - The Committee, for each initiative it proposes to execute, research, develop and propose funding source options for consideration, including, but not limited to, corporate sponsorship, community partnerships, grants, awards and municipal funding.
  - Review all requests for assistance from community groups and organizations and recommend appropriate actions to Council;
  - Recommend actions which promote increased collaboration and communication between heritage and knowledge groups;
  - The Committee undertakes to research, develop and propose a heritage/cultural tourism initiative or event in line with the City's vision and for consideration by the City's Tourism Committee.
  - The Committee analyze current capacity, existing utilization, market demand and projected needs of City-owned heritage and knowledge amenities in accordance with asset management plans for the City of Penticton, and make recommendations on achieving net neutrality on City operating budgets.

- Although not a design or planning committee (and will not be asked to make decisions around urban design or urban planning), the Committee will advise on guidelines and developments that pertain to or affect priority items on the heritage list;
- Recommend actions, education and marketing initiatives which promote increased public awareness and participation in community heritage resources and knowledge;
- Establish sub-committees as deemed necessary to research, develop and propose initiatives to the Committee concerning heritage and knowledge-based activities.
- The committee will not participate in operational matters respecting the City of Penticton.

9. Disqualification from Office

If an advisory committee member is continuously absent from committee meetings for a period of three (3) consecutive regularly scheduled meetings, unless the absence is because of illness or with the leave of the committee members, the office of the member is deemed to be vacant and the person who held the office is disqualified from holding office on any advisory committee of the City of Penticton for a period of one year.

10. Should a Closed meeting be held by the Committee, members must keep in confidence, any information considered in any part of said meeting until such time as the information is released to the public as lawfully authorized or required. Should the municipality suffer loss or damage due to contravention of confidentiality, the municipality may recover damages from the person(s) for the loss or damage.

- Closed Meeting – no meeting or part thereof shall be closed to the public except in accordance with Section 90 of the Community Charter.

11. The Mayor will sign all correspondence initiated by the Committee on behalf of the City of Penticton.

12. For certainty, the rules and procedures of Procedure Bylaw 2004-23 and all amendments thereto shall be observed as far as may be applicable.

# Council Report



**Date:** September 28, 2015  
**To:** Eric Sorensen, City Manager  
**From:** Colin Fisher, Chief Financial Officer  
**Subject:** **Community Grants**

File No:

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## Staff Recommendation

THAT Council replace the existing Community Grants Policy, dated for reference August 18, 2014, with the revised Community Grants Policy included as Attachment A.

## Strategic priority objective

N/A

## Background

Council's vision is for a safe and livable community is supported by a network of organizations that contribute to the wellness and vitality of the community. Funding will be allocated to the Community Grants program, also commonly known as the Municipal grants program, as part of the City's business planning process and grants may be awarded fairly and openly to organizations that provide valuable community services in support of Council's objectives. It is recognized that community organizations contribute significant value to the City and the goal of this Policy is to establish open and transparent guidelines for the evaluation and distribution of Community Grants, respecting the limited financial resources available for this purpose. Prior versions of the Grant Policy presented applicants and Council with varying degrees of ambiguity and lack of clarity which, in turn resulted in ambiguous, unclear, and often incomplete applications submitted to the City. The Policy revision in 2014 sought to remedy these issues with not only a more detailed set of information requirements but also with a more demanding set of operating requirements as well as a specific reporting out requirement. The Policy also provided to the City a set of very specific and clear guidelines against which applications could be evaluated. The goal that was sought was to make it very clear to applicants that there is a specific set of expectations associated with the grants and the grant process. An additional goal was that the applications presented to the Council were clear and complete, making the evaluation of applications faster, more efficient, and fair. In turn, the Policy would allow the staff to present recommendations to Council on a timely basis without sacrificing fairness and due diligence.

Subsequent to the adoption of the 2014 Policy several spelling and syntax errors, inconsistencies, and ambiguities were found and have been corrected in this update of the Policy. Most significantly however, the updated Policy

- i) now includes provision for the capture of statistical information for Tourism and Economic Development,
- ii) now includes provision speaking to organizations' application to the City to have their grants be considered "standing",
- iii) now includes provision specifying City's expectations regarding acknowledgement of the City's support. This sections also specifies the standards that must be adhered to,
- iv) has had the Application and Reporting Out forms removed from the Policy itself. This particular change will allow the City to implement changes to either of those forms much more quickly and easily.

### **Financial implication**

In an environment of ever increasing financial accountability and expectations of due diligence, the City is more than ever answerable to the citizenry. With this Policy the goal is to afford Council the ability to cope with ever shrinking budgets and still maintain fair and adequate support to organizations that contribute to the wellness and vitality of the community. Further, with this Policy the City will have the ability to realize maximum information utility from the associated documentation process.

### **Analysis**

N/A

### **Alternate recommendations**

N/A

### **Attachments**

Attachment A – revised Community Grants Policy

Attachment B – Application form

Attachment C – Reporting Out form

Respectfully submitted,

Colin Fisher

Chief Financial Officer

Approvals

CFO

A rectangular box containing a handwritten signature in black ink. Above the signature, the letters "CFO" are printed.

# Council Policy



Approval date: September \_\_, 2015

Pages: 1 of 8

**Section: Administration**  
**Subject: Community Grants**

## Goal

Council's vision is for a safe and livable community is supported by a network of organizations that contribute to the wellness and vitality of the community. Funding will be allocated to the Community Grants program as part of the City's business planning process and grants may be awarded to organizations that provide valuable community services in support of Council's objectives. It is recognized that community organizations contribute significant value to the City. The goal of this policy is to establish open and transparent guidelines for the evaluation and distribution of Community Grants, respecting the limited financial resources available for this purpose.

## Policy

### How Applicants Apply

The filing deadline for Community Grants from the City of Penticton is the last Friday on or prior to September 30<sup>th</sup> of each calendar year. On the City's website and local media as appropriate, for a three week period sufficiently in advance of the filing deadline, the City will notify the public of the availability of Community Grants and the next upcoming deadline.

To be eligible for a Community Grant, organizations must meet the criteria guidelines outlined in the **Application Form** and submit it along with all the required documentation to the attention of the Chief Financial Officer at the Penticton City Hall at 171 Main Street. Digital copies of all the required application documentation may also be submitted electronically via email to [chieffinancialofficer@pentiction.ca](mailto:chieffinancialofficer@pentiction.ca).

It is the responsibility of the applicants to submit a complete application with clear and sufficient information. It should be noted that the grant process is very competitive and applicants should submit the best application possible. Submission of an application does not guarantee the applicant will be awarded all or part of the grant requested and incomplete or unclear applications may be declined without follow-up by the City.

## Eligible Applications

The City of Penticton reserves the right to award or decline a community grant wholly at the discretion of the City. However, certain specific qualifying criteria are applied in the evaluation of the eligibility of grant applications:

- i) Does the applicant represent a registered not-for-profit or charitable organization based in Penticton that has been in operation for more than one year?
- ii) Are the residents of Penticton the primary beneficiaries of the service the organization provides?
- iii) Will the program or project of the organization for which the grant application is being made support the current key strategies of Council? These priorities change over time so applicants will be required to inform themselves annually about these.
- iv) Will the proposed program or project of the organization for which the grant application is being made be sustainable past the support of the grant?
- v) Has or will the organization secure additional sources of support and funding?
- vi) Does the organization work collaboratively with other community partners?

For greater certainty, during the evaluation of grant applications the City at its discretion may use other considerations in addition to those listed above.

## The Application Form

### Organization information

The applicants must submit their applications on the prescribed Application Form provided on the City website or pre-printed and made available by the City at City Hall. The application form will include the following information and conditions acknowledged by the applicants:

#### 1) Applicant Information

- a) Name of Agency/Organization/Group
- b) Address
- c) City
- d) Postal Code
- e) Contact Person and Position/Title
- f) Telephone/Cell/Fax
- g) Email and Website

#### 2) Organization Information

- a) Whether the organization is registered Society in good standing and BC Society number
- b) Whether the organization is a non-profit organization with constitution and bylaws
- c) Date of last filing with BC Registry Services
- d) Date of last annual general meeting
- e) How long the organization has been in existence
- f) How many active members the organization has
- g) Description of the organization's objectives
- h) Description of the services the organization provides

#### 3) Current and previous funding

- a) Whether the organization has received or is receiving funding in the form of cash, in-kind, tax exemptions, or of any other type from the City of Penticton and when and the outcome(s) of the projects/programs that were or are supported.

### Grant Request

- a) A brief description of the project/program for which the organization is requesting the grant
- b) The project/program's goals and timelines
- c) A description of the project/program's target population (age/sex/language/disability etc.)
- d) A brief description of how the project/program supports the City's vision statement.
- e) Are there projects/programs/services of a similar nature being offered in the community and if so how the organization's project/program will complement, enhance, or differ from those other projects/programs/services
- f) Which other businesses/organizations, if any, are involved in this project/program with descriptions of who they are and what their roles are
- g) A description of how this project/program will be sustainable past the grant time period

### Grant Outcomes

- a) How many people will directly benefit from this request
- b) Age categories of residents that will benefit from this request (see Grant Request section (c))
  - o percent under 19 yrs.
  - o percent 19 to 44 yrs.
  - o percent over 44 yrs.
- c) A description of the anticipated outcomes of the project/program, both short term and long term
- d) A description how the organization will evaluate the benefits of the project/program to the organization and to the community and what the specific performance measures will be

If the project/program is an event or series of events:

- e) Number of out of town participants
- f) Percentage of out of town participants staying overnight
  - o from Canada
  - o from the USA
  - o from elsewhere
- g) Percent of distances travelled by overnight stays
  - o less than 320 km
  - o more than 320 km from in-prov.
  - o more than 320 km from out-of-prov.
- h) Average number of nights by overnight stays
- i) Percent of participants under 19 yrs. that will be staying in commercial accommodations

### Assistance to Other Organizations

If the organization provides financial assistance to other organizations or societies, a list of those societies/organizations must be included as part of the application..

### Funding Request and Financial Information

- 1) Total amount required by the specific project/program less amounts contributed by other partners (including partners' names).
- 2) **Financial Information** (reviews and audits preferred)
  - a) Balance sheet or statement of financial position for the immediate prior year
  - b) Income statement or statement of financial activities for the immediate prior year
  - c) Budgeted income statement or statement of financial activities for the grant year

*Note: as permitted by legislation submitted financials are retained in confidence and are used for the purpose of the grant application only.*
- 3) **Template** for detail financial information. The template will be completed in good form by all applicants and will include sections for:
  - a) Federal and/or provincial grants specifying the ministry and program
  - b) Other federal and/or provincial funding
  - c) City of Penticton cash grants specifying components and timelines (see Current and previous funding section)
  - d) City of Penticton in-kind grants specifying each component, facility, and timelines
  - e) Other local governments grants specifying municipality and each component
  - f) Non-government support
  - g) Earned income including user fees
  - h) User fees
  - i) Fundraising
  - j) Foundations
  - k) Private donations
  - l) Other
  - m) Applicant organization's own contributions to the project/program
    - i) Cash
    - ii) In-kind (other)
  - n) Salaries and benefits expense
  - o) Administration expense
  - p) Rent or mortgage expense
  - q) Program/project supplies expense
  - r) Advertising and promotion expense
  - s) Other expense

## Policy conditions

As part of the application process, applicants will be required to agree with signatures to the following conditions:

- 1) Certification that, to the best of the applicants' knowledge, the information provided in this application is accurate and complete and is endorsed by the organization they represent. If the organization receives a community grant they acknowledge and agree to the conditions set out in the policy and to any other conditions approved by Council.
- 2) Applications for community grants must be submitted on the fully completed standard grant application. At the discretion of the City, partially completed applications or applications not on the standard form may be delayed or refused. This includes but is not limited to formal financial statements. In all cases where the grant application is not completed fully the organization must petition the Council through the Chief Financial Officer why the application should be considered and giving reasonable explanation for the incomplete application.



- 3) Public notification for community grants commence in local printed media three weeks prior to the application deadline. The application deadline for community grants is 4:30 p.m. on the last Friday on or immediately prior to September 30<sup>th</sup> of each calendar year and applications must be received and date-stamped by the deadline. Applications received after the deadline will not be considered until after March 31<sup>st</sup> of the subsequent year and applications for community grants submitted subsequent to that date will be considered on a restricted basis and only if accompanied by the fully completed standard grant application.
- 4) Under paragraph 25(1) of the *Community Charter* assistance may not be granted by the City to an industrial, commercial or business undertaking except under a partnering agreement. As such it is acknowledged the organization does not fall within any of these non-qualifying categories.
- 5) The receipt of permissive tax exemptions may impact the amounts an organization is eligible for in community grants. It is understood that the organization has disclosed any permissive tax exemption it or an affiliated organization has or is receiving.
- 6) In the event that grant funds are not used for the project/program indicated in the application the organization acknowledges that:
  - i) If all or part of the funds remain unspent the funds must be returned to the City to the attention of the Chief Financial Officer,
  - ii) Subject to the next paragraph, if the funds have been expended inappropriately or for a purpose other than the project/program indicated in the application, the City may at its discretion disqualify the organization from all subsequent tax exemption, financial, or in-kind assistance from the City.
- 7) In the event the organization makes changes to the project/program indicated on the application for which the grant has been provided, written notification must be forwarded prior to the change to the City of Penticton to the attention of the Chief Financial Officer.
- 8) Depending on the nature of the project/program, grant assistance for that particular project/program will have a maximum duration of three years (if required) on a declining basis without re-application. Declining basis means that in the second year the maximum grant will be two thirds of the first year grant upon submission of a completed **Reporting Out form** for the first year. In the third year the maximum grant will be one third of the first year grant upon submission of a completed Reporting Out form for the second year. No assistance will be available for any project/program in a fourth or subsequent year. Organizations may submit applications for grants subsequent to any prior three year period provided it is for a project/program that is distinctly different from all prior projects/programs for which support was obtained from the City of Penticton and also provided the new project/program period does not overlap with any preceding project/program for which support is being obtained from the City of Penticton. The provisions in this paragraph are subject to the provisions in paragraph 17.
- 9) The organization must make, and continue to make, attempts to secure funding from other sources as indicated in the application.
- 10) The organization will keep financial records which meet generally accepted standards of good business practice. For the purpose of this policy, the determination of those standards will be wholly at the discretion of the City of Penticton or its auditors. The organization's financial records must be made available to the City of Penticton or its auditors as may be requested from time to time. If, upon examination of the financial records, they are deemed inadequate the City may at its discretion:

- i) Direct remedial action with respect to the financial record keeping,
  - ii) Deem the grant to be void and demand the funds be returned immediately to the City of Penticton to the attention of the Chief Financial Officer.
- 11) i) Grant recipients must acknowledge funding support from the City of Penticton in all communications materials pertaining to the project, program or event being supported by the community grant. Evidence of acknowledgement should be included in the **Reporting Out form**.
- ii) Grant recipients agree that all related communications materials, including signs, websites, posters, etc., will contain a visible and current City of Penticton logo. Current logo files are available through City Communications, and must be used in accordance with the City of Penticton Visual Identity Standards Manual. The City of Penticton logo should only be used in reference to the project, program or event supported by grant funding.
- iii) If grant funding is supporting an event, the recipient agrees to recognize support from the City of Penticton through verbal acknowledgement during the event.
- iv) Grant recipients are encouraged to tag the City of Penticton in social media posts (Twitter, Facebook, Instagram) in recognition of grant support.
- v) If grant funding is supporting an event or program that involves tiered sponsorship, organizations should contact City Communications to outline deliverables within their sponsorship recognition framework.
- 12) Notwithstanding the previous section, the project or program may not be represented as a project or program of the City of Penticton, nor may the organization hold itself out as an agent of the City of Penticton in any way.
- 13) The City of Penticton reserves the right to use any information related to the organization and the grant assistance to the organization in its promotions and advertising. The use of any such information will be at the discretion of the City of Penticton and may be done so upon notification to the organization by the City.
- 14) The organization will complete and submit the **Reporting Out form** no later than 4:30 p.m. January 31 of the year immediately following the year for which the grant assistance was provided. Based on the results reported in the form the City may at its discretion terminate funding and any other in-kind support to the organization for any time period.
- 15) Advances of grant funds must be requested in writing or email communications to the City of Penticton to the attention of the Chief Financial Officer. Requests for advances of grant funds must be made in accordance with the timelines specified in the application. For greater certainty, cash grants will not be forwarded in the absence of a request by the organization that the funds be forwarded. The City at its discretion may determine that funding will be forwarded by a series of two or more instalments.
- 16) With respect to in-kind grants, where the value of facilities used by the organization exceeds the amount approved as the in-kind portion of the grant assistance, the organization hereby acknowledges that the City of Penticton will invoice the organization for the difference and the organization is liable to pay the amount invoiced.
- 17) The City may at any time and at its discretion consider grants to specific organizations to be standing in nature where the requirement for annual application is waived except as follows:
- i) the City at its discretion requires annual application despite any expectation or agreement by any parties that a grant may be standing in nature,
  - ii) the City re-instates the requirement for annual application despite any previous history with the organization or expectation or agreement by any parties that a grant may be standing in nature,

- iii) the recipient organization changes the amount it is requesting for cash or in-kind grant. For the purpose of this policy condition, a change will be measured as the difference between the amounts being applied for and the amount applied for in the most recent of either the 2014 base grant year or the first year a grant was first applied for.

Without limiting the discretion of the City or creating a commitment thereto, grants to the following organizations are considered to be of a standing nature:

- i) Penticton Art Gallery
- ii) Penticton Public Library
- iii) SS Sicamous Society
- v) Penticton Search & Rescue,
- vi) Penticton Challenge Triathlon,
- vii) Penticton Royalty,
- viii) Penticton Peach Festival.

Organizations may make formal written application to the City to have their grant designated as a standing grant. The City at its discretion will approve or deny such an application and will communicate any such decision via any channel it deems appropriate. No form is specified for organizations to make application for standing grants.

- 18) All grants other than those considered to be of a standing nature shall be considered to be term grants, subject to all requirements specified in this policy and are also subject to the following additional guidelines:
  - i) No consideration shall be given to requests submitted by a non-Penticton community organization unless its membership includes Penticton residents,
  - ii) No consideration shall be given to requests to waive or reduce a development cost charge.
- 19) This policy nullifies all unwritten agreements in existence prior to the fiscal year 2014 between the City of Penticton and all organizations, societies, and charitable interests.
- 20) All documentation submitted to the City as part of the application process becomes the property of the City and will not be returned to the applicants and will be retained by the City at its discretion. The City acknowledges that information submitted with grant applications may have been proprietary to the applicants and confidential. All submitted information shall be treated as confidential and retained securely and confidentially as provided by in the Community Charter.
- 21) The City may at any time enter into an agreement with a qualified community foundation for the purpose of managing municipal grants on its behalf. Pursuant to any such agreement, this may be done for all or part of the funds the City has budgeted for municipal grants as part of its annual budget for any particular year.

## Signatures

- 1) The **Application Form** includes a signature area for two authorized representatives of the organization acknowledging that the applicants have fully read and understand the policy conditions and agree to be bound by them and that the information included in this application is true and correct to the best of their knowledge and that all completed applications, reporting out forms, and correspondence must be forwarded in accordance with timelines specified in the policy to the attention of the Chief Financial Officer at the Penticton City Hall.

## Revisions

| Revision date  | Author  |
|----------------|---------|
| May 31, 2004   | KUHN    |
| April 21, 2014 | CFISHER |
| Sept 28, 2015  | CFISHER |

Approval \_\_\_\_\_

Approval \_\_\_\_\_

# Council Policy



penticton.ca

## Application Form

### Applicant Information

Name of Agency/Organization/Group: \_\_\_\_\_

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

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Position/Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Cell: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

### Organization Information

Registered Society in good standing (Y/N): \_\_\_\_\_ BC Society number: \_\_\_\_\_

Non-profit organization with constitution and bylaws (Y/N): \_\_\_\_\_

Date of last filing with BC Registry Services (dd/mm/yy): \_\_\_\_\_

Date of last annual general meeting (dd/mm/yy): \_\_\_\_\_

How long has the organization been in existence (years): \_\_\_\_\_

How many active members does the organization have: \_\_\_\_\_

Briefly describe the organization's objectives: \_\_\_\_\_

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Briefly describe the services the organization provides: \_\_\_\_\_

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**Current and previous funding**

Is the organization receiving funding in the form of cash (C), in-kind (IK), tax exemptions (TE), or any other type from the City of Penticton (Y/N): \_\_\_\_\_

If yes please specify (up to the previous two years):

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Year: \_\_\_\_\_ Type: \_\_\_\_\_ Amount: \_\_\_\_\_ Purpose: \_\_\_\_\_

Indicate the outcome(s) of the organization’s funded projects/programs: \_\_\_\_\_

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**Grant Request**

Briefly describe the project/program for which the organization is requesting this grant: \_\_\_\_\_

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Project/programs goals and timelines: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the project/program target population (age/sex/language/disability etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Briefly describe how the project/program supports the City's vision statement: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are there projects/programs/services of a similar nature being offered in the community  
(Y/N) \_\_\_\_\_ and if so how will the organization's project/program complement, enhance, or differ  
from those other projects/programs/services: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Which other businesses/organizations are involved in this project/program? Please describe which  
and their roles: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Describe how this project/program will be sustainable past the grant time period: \_\_\_\_\_

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### Grant Outcomes

How many people will directly benefit from this request: \_\_\_\_\_

Age categories of residents that will benefit from this request:

Children (0 – 12 years): \_\_\_\_\_

Youth (13 – 19 years): \_\_\_\_\_

Adults (20 – 44 years): \_\_\_\_\_

Adults (45 – 65 years): \_\_\_\_\_

Seniors (65+ years): \_\_\_\_\_

Describe the anticipated outcomes of this project/program, both short term and long term: \_\_\_\_\_

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Describe how the organization will evaluate the benefits of this project/program to the organization and to the community and what the specific performance measures will be: \_\_\_\_\_

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If the project/program is an event or series of events:

Number of out of town participants \_\_\_\_\_

Percentage of out of town participants staying overnight

from Canada \_\_\_\_\_

from the USA \_\_\_\_\_

from elsewhere \_\_\_\_\_

Percent of distances travelled by overnight stays

less than 320 km \_\_\_\_\_

more than 320 km from in-prov. \_\_\_\_\_

more than 320 km from out-of-prov. \_\_\_\_\_

Average number of nights by overnight stays \_\_\_\_\_

Percent of participants under 19 yrs. that will be staying in commercial accommodations \_\_\_\_\_

### Assistance to other organizations

If the organization provides financial assistance to other organizations or societies please list:

Societies/organizations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Funding request

Total amount required by this specific project/program \$ \_\_\_\_\_

less:

Amounts contributed by the organization \_\_\_\_\_

Amounts contributed by other partners

Partner name: \_\_\_\_\_

Partner name: \_\_\_\_\_

Amount requested from the City of Penticton grant program

\$ \_\_\_\_\_

## Financial Information

Provide the most current financial statements:

- ☐ Balance sheet or statement of financial position for the immediately prior year
- ☐ Income statement or statement of financial activities for the immediately prior year
- ☐ Budgeted income statement or statement of financial activities for the grant year

(note: Required, please attach to application. Audited or Reviewed financial statements are preferred if available)

|                                                                              | Confirmed | Potential |
|------------------------------------------------------------------------------|-----------|-----------|
| <b>Revenue:</b>                                                              |           |           |
| <b>Federal and/or provincial grants (specify ministry and program)</b>       |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
| <b>Other federal and/or provincial funding (specify)</b>                     |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
| <b>Community grants</b>                                                      |           |           |
| City of Penticton – cash (specify each component and timeline)               |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
| City of Penticton – in-kind (specify each component, facility, and timeline) |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
| Other local governments (specify municipality and each component)            |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
|                                                                              |           |           |
| <b>Non-government</b>                                                        |           |           |
| Earned income                                                                |           |           |
| User fees                                                                    |           |           |

|                                                                      |  |  |
|----------------------------------------------------------------------|--|--|
| Fundraising                                                          |  |  |
| Foundations (specify)                                                |  |  |
| Private donations                                                    |  |  |
| Other (specify)                                                      |  |  |
|                                                                      |  |  |
| <b>Applicant organization's contributions to the project/program</b> |  |  |
| Cash                                                                 |  |  |
|                                                                      |  |  |
| In-kind (other)                                                      |  |  |
|                                                                      |  |  |
|                                                                      |  |  |
| <b>Total Revenue</b>                                                 |  |  |
|                                                                      |  |  |
| <b>Expenses</b>                                                      |  |  |
| Salaries and benefits                                                |  |  |
| Administration                                                       |  |  |
| Rent or mortgage                                                     |  |  |
| Program/project supplies                                             |  |  |
| Advertising and promotion                                            |  |  |
| Other (specify)                                                      |  |  |
|                                                                      |  |  |
|                                                                      |  |  |
|                                                                      |  |  |
|                                                                      |  |  |
| <b>Total Expenses</b>                                                |  |  |

Note: The budget must balance. Expenses must be equal to revenue.

### Grant Conditions

We hereby certify that, to the best of our knowledge, the information provided in this application is accurate and complete and is endorsed by the organization we represent. If our organization receives a community grant we acknowledge and agree to the conditions set out below and to any other conditions approved by Council:

- 1) Applications for community grants must be submitted on the fully completed standard grant application. At the discretion of the City, partially completed applications or applications not on the standard form may be delayed or refused.
- 2) Public notification for community grants commence in local printed media three weeks prior to the application deadline. The application deadline for community grants is 4:30 p.m. on the

last Friday on or immediately prior to September 30<sup>th</sup> of each calendar year and applications must be received and date stamped by the deadline. Applications received after the deadline will not be considered until after March 31<sup>st</sup> of the subsequent year and applications for community grants submitted subsequent to that date will be considered on a restricted basis and only if accompanied by the fully completed standard grant application.

- 3) Under paragraph 25(1) of the *Community Charter* assistance may not be granted by the City to an industrial, commercial or business undertaking except under a partnering agreement. As such it is acknowledged the organization does not fall within any of these categories.
- 4) The receipt of permissive tax exemptions may impact the amounts an organization eligible for in community grants. It is hereby understood that the organization has disclosed any permissive tax exemption it or an affiliated organization has or is receiving.
- 5) In the event that grant funds are not used for the project/program indicated in the application the organization hereby acknowledges the following:
  - i) If all or part of the funds remains unspent, the funds must be returned to the City to the attention of the Chief Financial Officer.
  - ii) Subject to the next paragraph, if the funds have been expended inappropriately or for a purpose other than the project/program indicated in the application, the City may at its discretion disqualify the organization from all subsequent tax exemption, financial, or in-kind assistance from the City.
- 6) In the event the organization makes changes to the project/program indicated on the application for which the grant has been provided, written notification must be forwarded prior to the change to the City of Penticton to the attention of the Chief Financial Officer.
- 7) Depending on the nature of the project/program, grant assistance for that particular project/program will have a maximum duration of three years (if required) on a declining basis without re-application. Declining basis means that in the second year the maximum grant will be two thirds of the first year grant upon submission of a completed Reporting Out form for the first year. In the second year the maximum grant will be one third of the first year grant upon submission of a completed Reporting Out form for the second year. No assistance will be available for any project/program in a fourth or subsequent year. Organizations may submit applications for grants subsequent to any prior three year period provided it is for a project/program that is distinctly different from all prior projects/programs and also provided the new project/program period does not overlap with any preceding project/program.
- 8) Once a grant is approved the organization hereby acknowledges that it will make, and will continue to make, attempts to secure funding from other sources as indicated in the application.
- 9) The organization will keep financial records standard to good business practice. The organization's financial records must be made available to the City of Penticton or its auditors as may be requested from time to time. The adequacy of the financial records will be determined by the City of Penticton and if deemed inadequate the City may at its discretion:
  - i) Direct remedial action with respect to the financial record keeping,
  - ii) Deem the grant to be void and demand the funds be returned immediately to the City of Penticton to the attention of the Chief Financial Officer.

- 10) The project or program may not be represented as a project or program of the City of Penticton nor may the organization hold itself out as an agent of the City of Penticton in any way.
- 11) The City of Penticton reserves the right to use any information related to the organization and the grant assistance to the organization in its promotions and advertising. The use of any such information will be at the discretion of the City of Penticton and may be done so without permission of the organization.
- 12) The organization will complete and submit the Reporting Out form no later than 4:30 p.m. January 31<sup>st</sup> of the year immediately following the year for which the grant assistance was provided. Based on the results reported in the form, the City may at its discretion terminate funding and any other in-kind support to the organization for any time period.
- 13) Advances of grant funds must be requested in writing or email communications to the City of Penticton to the attention of the Chief Financial Officer. Requests for advances of grant funds must be made in accordance with the timelines specified in the application. The City at its discretion may determine that funding will be forwarded by a series of two or more instalments.
- 14) Where the value of facilities used by the organization exceeds the amount approved as the in-kind portion of the grant assistance, the organization hereby acknowledges that the City of Penticton will invoice the organization for the difference and the organization is liable to pay the amount invoiced.
- 15) The City may at any time and at its discretion consider grants to specific organizations to be standing in nature where the requirement for annual application is waived except as follows:
  - i) The City at its discretion requires annual application despite any expectation or agreement that the grant may be standing nature,
  - ii) The City re-instates the requirement for annual application despite any previous history with the organization or expectation or agreement by any parties that a grant may be standing in nature,
  - iii) The recipient organization changes the amount it is requesting for cash or in-kind grant. For the purpose of this policy condition, a change will be measured as the difference between the amounts being applied for and the amount applied for in either the most recent of the 2014 base grant year or the first year a grant was first applied for.
- 16) All grants other than those considered to be of a standing nature shall be considered to be term grants, subject to all requirements specified in this policy and are also subject to the following additional guidelines:
  - i) No consideration shall be given to requests submitted by a non-Penticton community organization unless its membership includes Penticton residents,
  - ii) No consideration shall be given to requests to waive or reduce a development cost charge.

- 17) This policy hereby nullifies all written or unwritten agreements in existence prior to the fiscal year 2014 between the City of Penticton and all organizations, societies, and charitable interests.

## Signatures

By signing below the representatives of the organization thereby acknowledge that they have fully read and understand the policy conditions and agree to be bound by them and that the information included in this application is true and correct to the best of their knowledge.

|                    |                            |               |
|--------------------|----------------------------|---------------|
| _____<br>Signature | _____<br>Name and position | _____<br>Date |
| _____<br>Telephone | _____<br>email             |               |
| _____<br>Signature | _____<br>Name and position | _____<br>Date |
| _____<br>Telephone | _____<br>email             |               |

All completed applications, reporting out forms, and correspondence should be forwarded in accordance with timelines specified herein to the attention of the Chief Financial Officer at the Penticton City Hall.

# Council Policy



## Reporting Out Form

### Applicant Information

Name of Agency/Organization/Group: \_\_\_\_\_

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

City: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Position/Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Cell: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

### Results evaluation

Briefly describe the project/program for which the organization is reporting out: \_\_\_\_\_

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Describe how the project/program's anticipated goals/objectives and timelines were or were not met: \_\_\_\_\_

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Describe how the project/program supported the City's vision statement: \_\_\_\_\_

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Describe how this project/program will continue to be sustainable past the grant time period: \_\_\_\_\_

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Describe how the organization evaluated the benefits of this project/program to the organization and to the community and what the specific performance measures were: \_\_\_\_\_

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Age categories of residents that benefited from this request:

Children (0 – 12 years): \_\_\_\_\_

Youth (13 – 19 years): \_\_\_\_\_

Adults (20 – 44 years): \_\_\_\_\_

Adults (45 – 65 years): \_\_\_\_\_

Seniors (65+ years): \_\_\_\_\_

If the project/program was an event or series of events:

Number of out of town participants \_\_\_\_\_

Percentage of out of town participants that stayed overnight

from Canada \_\_\_\_\_

from the USA \_\_\_\_\_

from elsewhere \_\_\_\_\_

Percent of distances travelled by overnight stays

less than 320 km \_\_\_\_\_

more than 320 km from in-prov. \_\_\_\_\_

more than 320 km from out-of-prov. \_\_\_\_\_

Average number of nights by overnight stays \_\_\_\_\_

Percent of participants under 19 yrs. that stayed in commercial accommodations \_\_\_\_\_

## Financial information

|                                                                              | Results |
|------------------------------------------------------------------------------|---------|
| <b>Revenue:</b>                                                              |         |
| <b>Federal and/or provincial grants (specify ministry and program)</b>       |         |
|                                                                              |         |
|                                                                              |         |
|                                                                              |         |
| <b>Other federal and/or provincial funding (specify)</b>                     |         |
|                                                                              |         |
|                                                                              |         |
|                                                                              |         |
| <b>Community grants</b>                                                      |         |
| City of Penticton – cash (specify each component and timeline)               |         |
|                                                                              |         |
|                                                                              |         |
|                                                                              |         |
| City of Penticton – in-kind (specify each component, facility, and timeline) |         |
|                                                                              |         |
|                                                                              |         |
|                                                                              |         |
| Other local governments (specify municipality and each component)            |         |
|                                                                              |         |
|                                                                              |         |
|                                                                              |         |
| <b>Non-government</b>                                                        |         |
| Earned income                                                                |         |
| User fees                                                                    |         |
| Fundraising                                                                  |         |

|                                                                      |  |
|----------------------------------------------------------------------|--|
| Foundations (specify)                                                |  |
| Private donations                                                    |  |
| Other (specify)                                                      |  |
|                                                                      |  |
| <b>Applicant organization's contributions to the project/program</b> |  |
| Cash                                                                 |  |
|                                                                      |  |
| In-kind (other)                                                      |  |
|                                                                      |  |
|                                                                      |  |
| <b>Total Revenue</b>                                                 |  |
|                                                                      |  |
| <b>Expenses</b>                                                      |  |
| Salaries and benefits                                                |  |
| Administration                                                       |  |
| Rent or mortgage                                                     |  |
| Program/project supplies                                             |  |
| Advertising and promotion                                            |  |
| Other (specify)                                                      |  |
|                                                                      |  |
|                                                                      |  |
|                                                                      |  |
|                                                                      |  |
| <b>Total Expenses</b>                                                |  |

**NOTE:**

Please attach documentation and other supporting evidence confirming acknowledgement by your organization of the City's support for your project/program/event.

## Signatures

By signing below the representatives of the organization thereby acknowledge that they have fully read and understand the policy conditions and agree to be bound by them and that the information included in this report is true and correct to the best of their knowledge.

|                    |                            |               |
|--------------------|----------------------------|---------------|
| _____<br>Signature | _____<br>Name and position | _____<br>Date |
| _____<br>Telephone | _____<br>email             |               |
| _____<br>Signature | _____<br>Name and position | _____<br>Date |
| _____<br>Telephone | _____<br>email             |               |

Reporting out forms and correspondence should be forwarded in accordance with timelines specified in the application form to the attention of the Chief Financial Officer at the Penticton City Hall.

## To the Penticton City Council

The residents of the 1300 block of Leir, bordered on the north by Duncan and on the south by Municipal, do hereby petition the City to declare this block residents only parking.

We, the residents, on a consistent basis have no street parking in front of our homes due employees of the Penticton Regional Hospital consistently parking in our block despite the fact that they have a designated parking area.

| Name (print) | Address | Signature |
|--------------|---------|-----------|
|--------------|---------|-----------|

|                  |              |             |
|------------------|--------------|-------------|
| Natasha Andrusky | 1372 Leir St | [Signature] |
|------------------|--------------|-------------|

|             |                |             |
|-------------|----------------|-------------|
| John Cannon | "1372 Leir" st | [Signature] |
|-------------|----------------|-------------|

|           |           |             |
|-----------|-----------|-------------|
| Roy Elker | 1371 Leir | [Signature] |
|-----------|-----------|-------------|

|               |           |             |
|---------------|-----------|-------------|
| Arlene Larsen | 1333 Leir | [Signature] |
|---------------|-----------|-------------|

|                 |           |             |
|-----------------|-----------|-------------|
| William Whitman | 1333 Leir | [Signature] |
|-----------------|-----------|-------------|

|              |           |             |
|--------------|-----------|-------------|
| Andy Kostick | 1347 Leir | [Signature] |
|--------------|-----------|-------------|

|               |              |             |
|---------------|--------------|-------------|
| Arlene Mackay | 1390 Leir St | [Signature] |
|---------------|--------------|-------------|

|             |              |             |
|-------------|--------------|-------------|
| NEIL MACKAY | 1390 Leir St | [Signature] |
|-------------|--------------|-------------|

|               |              |             |
|---------------|--------------|-------------|
| TERRY D. Fowl | 1348 Leir St | [Signature] |
|---------------|--------------|-------------|

|             |              |             |
|-------------|--------------|-------------|
| James Dewar | 1355 Leir St | [Signature] |
|-------------|--------------|-------------|

Per: G. Kingsley  
+ R. Russell

## To the Penticton City Council

The residents of the 1300 block of Leir, bordered on the north by Duncan and on the south by Municipal, do hereby petition the City to declare this block residents only parking.

We, the residents, on a consistent basis have no street parking in front of our homes due employees of the Penticton Regional Hospital consistently parking in our block despite the fact that they have a designated parking area.

**Name (print)**

**Address**

**Signature**

Louise Ehlers

1355 Leir St.



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# Minutes



## Arts, Creative & Cultural Innovations Committee Meeting

held at City of Penticton Committee Room A  
171 Main Street, Penticton, B.C.

Thursday, September 10, 2015  
at 8:00 a.m.

- Present:** Campbell Watt, Councillor  
Allison Markin, Chair  
Robin Robertson, Vice-Chair  
Paul Crawford, Penticton Art Gallery Representative  
Lynn Allin, Penticton & District Arts Council Representative  
Kerri Milton, Penmar Community Arts Society  
Jane Shaak, Okanagan School of the Arts, Shatford Centre Representative  
Gerald Kenyon, South Okanagan Performing Arts Representative  
Vicky Jones, Member at Large  
Murray Swales, Member at Large
- Staff:** Lori Mullin, Acting GM, Recreation & Facilities  
Tyler Figgitt, Design Supervisor  
Lorraine Williston, Committee Secretary

### 1. Call to Order

The Arts, Creative & Cultural Innovations Committee was called to order by the Chair at 8:02 a.m.

### 2. Adoption of Agenda

**It was MOVED and SECONDED**

THAT the Arts, Creative & Cultural Innovations Committee adopt the agenda for the meeting held on September 10, 2015 as circulated.

**CARRIED UNANIMOUSLY**

### 3. Adoption of Minutes

**It was MOVED and SECONDED**

THAT the Arts, Creative & Cultural Innovations Committee adopt the minutes of the August 13, 2015 meeting as circulated.

**CARRIED UNANIMOUSLY**

## **4. New Business**

### **4.1 City of Penticton Christmas Cards**

The Communications Officer provided information on the Christmas cards the City sends out. Past practice has been to purchase standard cards and mail out to the main stakeholders in the community and area including the MLA and MP's office. The current list contains forty nine names. The Communications Officer reported there is some funding available that would allow for the creation of a 4x6 card incorporating art from local artists. The cards would need to be finalized by the beginning of November.

Committee discussion followed and by consensus, it was agreed to put out a call for artists. The Communication Officer would like to send out a news release and create a poster that contains information and guidelines to send out to the artists. The Chair agreed to work with the Communications Officer on this project. The budget available is \$250 remuneration for the artist.

### **4.2 Email Re: Penticton Trade & Convention Centre Public Art**

The Acting GM, Recreation & Facilities updated the committee on the art piece the PTCC commissioned for the 50<sup>th</sup> anniversary celebration. A call was made by PTCC staff to the Arts Council for some input and then decided against an art piece. PTCC committee later discussed marketing and a budget that would be spent on advertising content. One of the PTCC committee goals for the celebration was to build upon First Nations and PIB business. It was decided that an art piece (replacing 90% of the advertising content/budget) by Clint George (PIB) would be the perfect way to achieve goals. This was a "smart marketing" program that does not disappear once the celebration is over. This strategy generated new stories vs traditional advertising. If Clint George wasn't available, the marketing budget would have been spent on another marketing plan.

Committee discussion followed on process and protocol. The Acting GM, Recreation & Facilities made the recommendation that once the Public Art Policy has been revised and finalized, the policy should be distributed to City departments to bring awareness of the process for the future. The Chair stated she has met with Glenn Clark who brought forth this matter and suggested that a meeting with all stakeholders be held to review the policy and process as well.

## **5. Business Arising from Prior Meetings**

### **5.1 Downtown Public Art Opportunities**

The Design Supervisor updated the committee on the requirements and parameters for potential art pieces for the light canopy support poles. The space available is 1m x 1m and 9m about street level. The art piece cannot weigh more than 100 kg and can contain one solid upper panel if the other panel is 40% solid. The panels' maximum wind area is 1.4 sq.m (2 sq.m available). The upper most panel to have no more than 60% of wind area. The art must be self-supporting. Discussion on themes and types of art and whether all eight poles will contain wayfinding signage. The question was raised if some of the poles could contain one full art panel. Staff to bring back information at the next meeting. The Communications Officer stated the LED light canopy and support poles will be the last phase of the project.



## 5.2 Canada 150 Mosaic Initiative Update

The Acting GM, Recreation & Facilities brought forth the top four global themes from the last meeting and provided a list of other communities within BC that are also participating. A visual example of a completed mosaic from Vegreville, Alberta was viewed. Discussion followed on what iconic images should be submitted. It was decided to involve the community through social media posing the question of 'what iconic image defines Penticton'. The Communication Officer will post on social media and bring back the results to the next meeting.

## 5.3 Creative City Network of Canada Update

The Acting GM, Recreation & Facilities confirmed membership fees are \$418 to become a municipal member and \$74 for an individual membership. This year's summit is Oct. 27-29<sup>th</sup>. Cost to attend is \$645 for members and \$735 for non-members. The Chair stated this is a very useful resource for the arts community.

**It was MOVED and SECONDED**

**THAT the Arts, Creative & Cultural Innovations Committee recommend that the City of Penticton become a member of the Creative City Network of Canada;**

**AND THAT a representative attends the summit being held in Kelowna, BC on October 27-29, 2015.**

**CARRIED UNANIMOUSLY**

**It was MOVED and SECONDED that the Arts, Creative & Cultural Innovations Committee recommend:**

**THAT Council support the City of Penticton's membership with the Creative City Network of Canada and the attendance of a representative at the summit being held in Kelowna, BC on October 27-29, 2015;**

**AND THAT Staff be directed to pay the membership fee of \$418.00 and \$645.00 for a representative to attend the summit, with the fees to be paid from the Public Art Reserve.**

**CARRIED UNANIMOUSLY**

## 5.4 Public Art Policy Update

Item deferred to allow more time for committee members to review the proposed revisions. The Chair recommended an extraordinary meeting be scheduled to review the policy. The Chair through the Secretary will send out potential dates for a meeting. The Downtown Penticton Association Representative requested the committee to forward any comments and feedback on the proposed revisions to her prior to the extraordinary meeting.

#### 5.5 Sculpturewalk – Sculpture Sub-Committee Update

The Vice-Chair provided an update from their last Sculpture Sub-Committee meeting. The sub-committee would like further clarification on Res. 107/2011. Staff to research and provide any additional information at the next meeting. The Acting GM, Recreation & Facilities recommended the sub-committee provide additional information on potential projects for 2016 to support the allocation of \$50,000 annually into a public art reserve during the 2016 budget discussions. The Chair recommended the committee as a whole should have a general discussion on budget and that another extraordinary meeting may need to be scheduled.

#### 5.6 Lakawanna Park Sculptures Update

The Penticton Art Gallery representative reported he has been in contact with the artist. The artist would love to see the original piece recreated and moved to another location in partnership with the E'nowkin Centre. The E'nowkin Centre Representative's Contact information has been provided to the artist. The artist stated it is still her desire to have interpretative signage placed where the original piece was located. Staff to provide additional background information at the next meeting.

### 6. Representative Updates

#### 6.1 Penticton & District Arts Council

The PDAC representative reported they are currently working on all grant applications and they will be celebrating their 55<sup>th</sup> Birthday and art exhibit on Sept. 18 at 7:00 p.m.

#### 6.2 Penticton Art Gallery

The Penticton Art Gallery representative reported this is the last weekend for the Afghanistan art exhibit and have had visitors from across Canada and the USA come in and see show. Their next art opening is September 18, 2015.

#### 6.3 Penmar Community Arts Society

The Penmar Community Arts Society representative reported there will be a press conference held on Sept. 17, 2015 and will be appearing before Council as a delegate at the next Council meeting to provide an update.

#### 6.4 South Okanagan Performing Arts Centre

The SOPAC representative confirmed their Board will not be meeting again until September and did not have anything new to report.

#### 6.5 Acting GM, Recreation and Facilities

The Acting GM, Recreation and Facilities did not have anything new to report.

7. **Next Meeting**

The next regularly scheduled meeting of the Arts, Creative & Cultural Innovations Committee will be Thursday, October 8, 2015 at 8:00 a.m.

8. **Adjournment**

The Arts, Creative & Cultural Innovations Committee adjourned the meeting at 9:52 a.m.

# Minutes



## Downtown Revitalization Sub-Committee Meeting

held at City of Penticton Committee Room A  
171 Main Street, Penticton, B.C.

Friday, September 11, 2015  
at 8:00 a.m.

**Present:** Max Picton, Councillor  
Judy Sentes, Councillor  
Barb Haynes, Chair  
Kerri Milton, DPA Representative  
Cheryl Watts, Member at Large  
Tim Scott, Member at Large  
Erin Hanson, Member at Large

**Staff:** Eric Sorensen, CAO  
Mitch Moroziuk, Director of Operations  
Tyler Figgitt, Design Supervisor  
Simone Blais, Communications Officer  
Lorraine Williston, Corporate Committee Secretary

**Guests:** Tavis Stevenson

### 1. Call to Order

The Downtown Revitalization Sub-Committee was called to order by the Chair at 8:04 a.m.

### 2. Adoption of Agenda

**It was MOVED and SECONDED**

THAT the Downtown Revitalization Sub-Committee adopt the agenda for the meeting held on September 11, 2015 as circulated.

**CARRIED UNANIMOUSLY**

### 3. Adoption of Minutes

**It was MOVED and SECONDED**

THAT the Downtown Revitalization Sub-Committee adopt the minutes of the August 27, 2015 meeting as circulated.

**CARRIED UNANIMOUSLY**

#### **4. Business Arising from Prior Meetings**

##### **4.1 100 Block and North Park Design Presentation**

The Design Supervisor presented an overview of the Gyro Park design options from MMM Group.

Option 1: Areas featuring pavers and green spaces; expanded hard surface in front of the band shell towards Veteran's Park with green space areas.

Option 2: Plaza extended to roadway

Option 3: Ice rink feature within a circular plaza in front of band shell

Streetscape design options were presented as follows:

Option 1: City Hall entrance plaza created. Does remove some parking stalls.

Option 2a: Expanded sidewalk in front of City Hall. Parking changed to parallel parking. Ten parking stalls eliminated and nine retained.

Option 2b: Expanded sidewalk, enhanced City Hall entrance and plaza space. Fifteen stalls eliminated.

Option 3: Enhanced City Hall entrance with expanded sidewalk. Crosswalk moved in front of City Hall with a plaza bump up. Fourteen stalls eliminated and 22 retained.

Discussion followed on the overall plan design options for the 100 Block. The Design Supervisor requested direction from the committee for the area in front of City Hall, parking, start/stop of paving stones and on the color of the pavers.

**It was MOVED and SECONDED**

**THAT the Downtown Revitalization Sub-Committee recommends that the sidewalk be expanded for the 100 Block and the angle parking changed to parallel parking on both sides of Main Street to be consistent with the 200 Block Main Street design.**

**AND THAT the crosswalk for the 100 Block is placed on the north side of the Gyro Park entrance gateway at the start of the link road.**

**CARRIED UNANIMOUSLY**

By consensus, the sub-committee agreed the color of the pavers for the parking stalls should be the same color as the road to maintain a consistent and open feel. Staff to present revised designs to Council at their October 5, 2015 meeting.

#### **5. New Business**

#### **6. Next Meeting**

The next regularly scheduled meeting of the Downtown Revitalization Sub-Committee is scheduled for Thursday, October 22, 2015 at 8:00 a.m.

#### **7. Adjournment**

The Downtown Revitalization Sub-Committee adjourned the meeting at 9:14 a.m.

# Minutes



## Transportation Advisory Committee Meeting

held at City of Penticton Committee Room A  
171 Main Street, Penticton, B.C.

Tuesday, September 15, 2015  
at 3:00 p.m.

**Present:** Tracy Van Raes, Vice-Chair  
Matt Berry, Penticton Transit Representative  
Rob Lionello, handyDART Representative  
Louise Blais, Penticton and Area Cycling Association Representative  
Karina Chambers, Member at Large  
Martyn Lewis, Member at Large  
Domenic Rampone, Member at Large

**Staff:** Eric Sorensen, Chief Administrative Officer  
Mitch Moroziuk, Director of Operations  
Ian Chapman, City Engineer  
Lorraine Williston, Committee Secretary

### 1. Call to Order

The Transportation Advisory Committee was called to order by the Vice-Chair at 3:02 p.m.

### 2. Adoption of Agenda

**It was MOVED and SECONDED**

THAT the Transportation Advisory Committee adopt the agenda for the meeting held on September 15, 2015 as amended (refer to item 6.2).

**CARRIED UNANIMOUSLY**

### 3. Adoption of Minutes

**It was MOVED and SECONDED**

THAT the Transportation Advisory Committee adopt the minutes of the June 23, 2015 meeting as circulated.

**CARRIED UNANIMOUSLY**

#### 4. Delegation

##### 4.1 Avery Davidow

Mr. Davidow expressed his traffic safety concerns for the Dartmouth Drive and Greenwood Drive thoroughfare. Mr. Davidow is concerned with the high volume of traffic from the Wiltse residential area using Greenwood Drive as a route to and from Green Avenue and would like to see measures put in place to either divert or slow traffic at that intersection as his home and driveway are hidden from view from oncoming traffic travelling westbound on Greenwood Drive and with the steep incline, feels motorists are accelerating when approaching his residence instead of slowing down for the corner/intersection and stated this is a big safety concern for his family.

Roundtable discussions followed regarding options. Staff confirmed one of the issues is the shrubs located on the boulevard on the neighboring property and if they were removed, it would increase the visibility of his property and sight line and suggested he discuss the removal of the shrubs with his neighbor. Staff will evaluate and collect traffic data for the area and will report back their findings at the next meeting. Mr. Avery also requested someone spend some time with him to watch traffic to get a better understanding of his concerns. The Vice-Chair agreed to meet with him.

#### 5. Business Arising from Prior Meetings

##### 5.1 Government Street Bike Lane Open House

The Director of Operations recapped the issue of delivery truck deliveries to businesses in the industrial area on Government Street impeding into the bike lane and roadway. The Director of Operations confirmed they have received the Transportation Consultant's review and a legal review of the issues. The legal review confirmed it is illegal to park in bike lanes. The Transportation Consultant's review found cyclists should have a reasonable expectation to access bike lanes. The Transportation Consultant also reviewed the various options of relocating the bike lane and did not support any of the alternatives.

Roundtable discussion followed on all options as presented and it was agreed to maintain the bike lane on Government Street.

**It was MOVED and SECONDED that the Transportation Advisory Committee recommend:  
THAT Council support the relocation of the existing parking lane on Government Street from Industrial Avenue to Okanagan Avenue East from the west side of Government to the east side of Government where it will be reconfigured as a parking/loading zone as presented by Staff at the September 15, 2015 Transportation Committee Meeting;**

**AND THAT Council direct Staff to notify businesses affected by the relocation to adjust the manner in which their deliveries are handled to make use of the allocated loading zone;**

**AND THAT Council direct the Bylaw Department to enforce the 'no parking in a bike lane' Traffic Bylaw once the parking lane is relocated.**

**CARRIED UNANIMOUSLY**

## **6. New Business**

### **6.1 PIDA Correspondence**

Correspondence from the Penticton Industrial Development Association dated July 17, 2015, supporting the recommendations of the Transportation Committee regarding the change to the bike lane on Government Street was received.

### **6.2 Traffic Signals**

Martyn Lewis brought forth his concerns regarding traffic safety at four intersections located at Eckhardt Ave W. and Martin Street, Eckhardt Ave W. and Winnipeg Street, Industrial Avenue and Main Street and Atkinson Street and Warren Avenue. Mr. Lewis asked staff to evaluate the function of these specific traffic signals. Staff to investigate and report back at the next meeting. Further discussion included safety concerns with the Carmi/Duncan intersection and the Fairview/Duncan intersection. Staff reported they have evaluated the Carmi/Duncan Avenue intersection and confirm there is no room to make any changes as the existing structures cannot be moved. For the Fairview/Duncan Avenue intersection, a consultant will be coming to look at it.

## **7. Council Outcome**

Council Resolutions 390/2015, 391/2015 and 393/2015 from the minutes dated September 15, 2015 were received.

## **8. Next Meeting**

The next regularly scheduled meeting of the Transportation Advisory Committee is Tuesday, October 20, 2015 at 3:00 p.m.

## **9. Adjournment**

The Transportation Advisory Committee adjourned the meeting at 4:33 p.m.



# Minutes



## Heritage & Museum Committee Meeting

held at City of Penticton Council Chambers  
171 Main Street, Penticton, B.C.

Thursday, September 17, 2015  
at 8:30 a.m.

**Present:** Councillor Judy Sentes  
Bill Allen, Chair  
Ed Benoit, Okanagan College Representative  
Heather Buzzell, Penticton Library Representative  
Shelley Clarke, School Board 67 Representative  
Brad Hillis, Member at Large  
Loraine Stephanson, Member at Large

**Staff:** Dennis Oomen, Museum Manager  
Lori Mullin, Acting GM, Recreation & Facilities  
Lorraine Williston, Committee Secretary

### 1. Call to Order

The Museum & Heritage Committee was called to order by the Chair at 8:34 a.m.

### 2. Adoption of Agenda

#### It was **MOVED** and **SECONDED**

THAT the Museum & Heritage Committee adopt the agenda for the meeting held on September 17, 2015 as amended refer to Item 4.5 and 6.

**CARRIED UNANIMOUSLY**

### 3. Adoption of Minutes

#### It was **MOVED** and **SECONDED**

THAT the Heritage & Museum Committee adopt the minutes of the August 20, 2015 meeting as circulated.

**CARRIED UNANIMOUSLY**

### 4. Business Arising from Prior Meetings

#### 4.1 Terms of Reference

Councillor Sentes reported that the Corporate Officer will be reviewing the proposed amendments to the Terms of Reference and will be bringing forward her comments to a future meeting.

## 4.2 Museum Update

The Museum Manager reported on the War Canoe Regatta they held during this year's PeachFest. The event was well received and they hoping to run the event again next year. The museum would like the War Canoe Regatta to become their signature event. The museum's next big event will be an exhibit from the Vancouver Holocaust Education Centre titled 'More than just games: Canada & the 1936 Olympics'. This exhibit will be starting in November and will run for four months. The museum has also borrowed two displays titled 'Species at Risk' from the Royal British Columbia Museum. These displays will be taken through the schools. Staff are also looking at reproducing similar displays using their taxidermy collection to showcase in schools.

The Museum Manager reported on a recent donation brought in containing WW2 memorabilia. The donation is from a resident whose father served in WW2 and was held in a Japanese prisoner camp for several years. The collection includes a diary, photos and various other materials. A highlight of the collection is the recorded radio messages that were made during his imprisonment. Museum staff are in collaboration with Peach City Radio to broadcast the messages on Remembrance Day.

Staff are also working on a 4 x 9 scale model of Penticton. The model will include features that will outline the growth, channelization of the canal and the location of the historical native villages.

The Museum Manager reported he has met with the Friends of the Museum. This group is looking at purchasing an enhanced augmented reality sandbox projector overhead and vacuum former for the museum. The sandbox projector is an excellent interpretive tool and the vacuum former can manufacture masks and reproduce artifacts which would be an extremely valuable resource for the museum.

Other updates included the information plaque for the R.N. Atkinson Gallery and the Museum Manager provided the first draft of the verbiage to the committee. Brown Bag lunches will be starting next week. Staff are currently working on their budget, strategic plan and grant applications.

## 4.3 Information Kiosk for Fairview Cemetery Entrance Update

Loraine Stephanson confirmed Randy Manuel has been working on the historical information for the former church site.

## 4.4 2005 Penticton Heritage Strategy Review

Tabled to next meeting.

## 4.5 Street Name List Review

The Chair confirmed that the December 17<sup>th</sup> meeting will be dedicated to reviewing the street name list. The Committee Secretary will send out email to members to remind them.

## 5. Council Outcome

- 5.1 Council Resolutions 459/2015 and 460/2015 from the minutes dated August 20, 2015 were received.

**6. New Business**

The Chair provided examples of historical plaques that in use from other Provinces for the committee's information.

**7. Next Meeting**

The next regularly scheduled meeting of the Museum & Heritage Committee will be Thursday, October 15, 2015.

**8. Adjournment**

The Museum & Heritage Committee adjourned the meeting at 9: 16 a.m.