

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

Tuesday, September 19, 2017
at 1:00 p.m.

1. **Call Regular Council Meeting to Order**
2. **Introduction of Late Items**
3. **Adoption of Agenda**
4. **Recess to Committee of the Whole**
5. **Reconvene the Regular Council Meeting**
6. **Adoption of Minutes:**

6.1	Minutes of the September 5, 2017 Committee of the Whole	1-2	Receive
6.2	Minutes of the September 5, 2017 Public Hearing	3-6	Receive
6.3	Minutes of the September 5, 2017 Regular Council Meeting	7-14	Adopt
7. **Committee and Board Reports**

7.1	Parks & Recreation Master Plan Steering Committee Minutes of August 10, 2017	15-18	
	<i>Staff Recommendation: THAT Council receive the minutes of the Parks & Recreation Master Plan Steering Committee meeting of August 10, 2017.</i>		
7.2	Transportation Advisory Committee Minutes of August 29, 2017	19-21	
	<i>Staff Recommendation: THAT Council receive the draft minutes of the Transportation Advisory Committee meeting of August 29, 2017.</i>		
7.3	Community Revitalization Select Committee Minutes of September 6, 2017	22-25	
	<i>Staff Recommendation: THAT Council receive the draft minutes of the Community Revitalization Select Committee meeting of September 6, 2017.</i>		
	<i>Committee Recommendation: THAT Council proceed with the Local Area Improvement process for the 300 Block Main Street Project.</i>		
	<i>Committee Recommendation: THAT if funding is not available through the 2018 budgeting process that Council direct staff to seek alternative funding to ensure the 300 Block Main Street Project is completed by June 2018.</i>		
8. **Correspondence**

9. **Staff Reports:**

- SPM 9.1 Skaha Bluffs Area Boundary Extension 26-32
*Staff Recommendation: THAT Council direct staff to initiate the electoral approval process for the Skaha Bluffs Area Boundary Extension;
AND THAT Council direct staff to employ the Alternative Approval Process, as defined in the Community Charter, Section 86, to obtain electoral approval for the Skaha Bluffs Area Boundary Extension.*
- CFO 9.2 Challenge Triathlon Agreement 33-34
*Staff Recommendation: THAT Council support the amendment of the City of Penticton's Challenge Triathlon agreement with MB Events to modify the triathlon brand;
AND THAT Council direct staff, upon receiving the legal assurances, amend the agreement and authorize the Mayor and Corporate Officer to execute the revised agreement.*
- PM 9.3 EIZ Reports 35-131
Staff Recommendation: THAT Council enter into Revitalization Tax Exemption Agreements with the owners of the following ten properties:
 553 Veas Drive
 21 Lakeshore Drive
 409 Ellis Street
 225 Main Street
 331 Van Horne Street
 325 Van Horne Street
 340 Ellis Street
 105 – 300 Okanagan Avenue
 2060 Government Street
 232 Rosetown Avenue
AND THAT the Mayor and Corporate Officer are directed to execute the "Revitalization Tax Exemption Agreements" on behalf of the City.
- PM 9.4 Climate Action Reporting for 2016 132-159
Staff Recommendation: THAT Council receive the report titled "Climate Action Reporting for 2016" for information.

10. **Public Question Period**

11. **Recess to In-Camera Meeting**

Resolution: THAT Council recess to a closed meeting of Council pursuant to the provisions of the Community Charter section 90 (1) as follows:

- (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;*
- (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.*

12. **Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.**

13. **Reconsideration of Bylaws and Permits:**

- | | | | |
|------|---|---------|---------|
| 13.1 | Zoning Amendment Bylaw No. 2017-55 | 160-161 | Adopt |
| | Development Variance Permit PL2017-7950 | 162-163 | Approve |
| | Re: 161 Bassett Street | | |

13.2	Official Community Plan Amendment Bylaw No. 2017-57 Zoning Amendment Bylaw No. 2017-58 Re: 68 & 76 Roy Avenue	164-165 166-167	2 nd /3 rd /Adopt 2 nd /3 rd
13.3	Zoning Amendment Bylaw No. 2017-59 Re: 342 & 346 Van Horne Street	168-169	2 nd /3 rd

14. **Land Matters:**

DDS	14.1	Development Variance Permit PL2017-8033 Re: 647 Okanagan Avenue E <i>Staff Recommendation: THAT Council approve "Development Variance Permit PL2017-8033" for Lot 4 District Lot 3821S Similkameen Division Yale District Plan 15261, located at 647 Okanagan Avenue East, a permit to reduce the minimum front yard from 6.0m to 1.5m; AND THAT staff be directed to issue "Development Variance Permit PL2017-8033."</i>	170-183	Del/Sub
DDS	14.2	Downtown Plan Status Update – Implementation <i>Staff Recommendation: THAT Council receive this report for information, for an update as to the status of the Downtown Plan implementation.</i>	184-190	
DDS	14.3	Local Area Improvement Process Re: 300 Block of Main Street <i>Staff Recommendation: THAT "300 Block – Main Street Local Area Service Bylaw No. 2017-62", a Bylaw under Section 211(1)(b) of the Community Charter, to impose a local area service tax to offset the cost of street improvements on Main Street, be given first and second reading; AND THAT, in accordance with Section 213 of the Community Charter, approval of the Bylaw be subject to a petition against the bylaw by property owners who would be subject to the bylaw; AND THAT notice of Council's proposal to proceed with the local area service be carried out in accordance with Section 213 of the Community Charter; AND FURTHER THAT once the 300 Block – Main Street Local Area Service Bylaw is complete, if supported by the landowners, this project be considered as part of the 2018 Budget process.</i>	191-201	
DDS	14.4	Zoning Amendment Bylaw No. 2017-63 Development Variance Permit PL2017-8026 Re: 295 Abbott Street <i>Staff Recommendation: THAT "Zoning Amendment Bylaw No. 2017-63," a bylaw to rezone Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street from RD2 (Duplex Housing: Lane) to RM3 (Medium Density Multiple Housing), be given first reading and forwarded to the October 3, 2017 Public Hearing; THAT delegations and submissions for "Development Variance Permit PL2017-8026" for Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street, a permit to reduce the minimum interior yard from 4.5m to 1.8m and to reduce the minimum exterior yard from 4.5m to 2.2m, be heard at the October 3, 2017 Public Hearing. AND THAT Council consider "DVP PL2017-8026" following the adoption of "Zoning Amendment Bylaw No. 2017-63." THAT Council, subject to adoption of "Zoning Amendment Bylaw No. 2017-63," approve "Development Permit PL2017-8027" for Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street, a permit that allows for the construction of a four-unit townhouse.</i>	202-224	

- DDS 14.5 Zoning Amendment Bylaw No.2017-64 225-243
Re: 168 Kirkpatrick Avenue
Staff Recommendation: THAT "Zoning Amendment Bylaw No. 2017-64," being a bylaw to amend City of Penticton Zoning Bylaw No. 2017-08 by adding Section 10.1.3.7: "In the case of Lot 1 District Lot 116 SDYD Plan 19512 Except Plan 29643, located at 168 Kirkpatrick Avenue, a Bed and Breakfast Home shall be permitted," be given first reading and forwarded to the October 3, 2017 Public Hearing.
- DDS 14.6 Development Permit PL2017-7955 244-265
Re: 259 Backstreet Boulevard
*Staff Recommendation: THAT Council approve DP PL2017-7955, a permit to allow for the construction of a four (4) storey building on Lot A District Lot 202, Similkameen Division Yale District, Plan KAP49910 located at 259 Backstreet Boulevard;
AND THAT Council accept compensation for the removal of two City trees and 2:1 replacement as per the City Tree Protection Bylaw No. 2011-26.*

15. **Notice of Motion**

16. **Business Arising**

THAT Council consider the offer to purchase for 3807 and 3811 Skaha Lake Road;
AND THAT Council decline the offer to purchase 3807 and 3811 Skaha Lake Road;
AND THAT Council, in consideration of interest expressed in the purchase and development of the City owned property located at 3807 and 3811 Skaha Lake Road, direct Staff to consult and engage with the community on the future use of the property at 3807 and 3811 Skaha Lake Road.

17. **Council Round Table**

18. **Public Question Period**

19. **Adjournment**

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

Tuesday, September 5, 2017
Recessed from the Regular Council Meeting at 1:00 p.m.

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

Staff: Peter Weeber, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Jim Bauer, Chief Financial Officer
Anthony Haddad, Director of Development Services
Ian Chapman, City Engineer
Angie Collison, Deputy Corporate Officer

1. Call to order

The Mayor called the Committee of the Whole meeting to order at 1:02 p.m.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the agenda for the Committee of the Whole meeting held on September 5, 2017 be adopted as presented.

CARRIED UNANIMOUSLY

3. Delegations and Staff Presentations:

3.1 Addiction (Recovery Coach) – Funding Request

Judy Poole presented Council with information on substance abuse and requested Council support the funding request for an Addiction Recovery Coach.

3.2 Peachfest Update

Don Kendall, President, provided Council with an update on the 70th Annual Peachfest festival held August 2017.

3.3 Riddle Road fire protection

Ian Chapman, City Engineer, provided Council with funding and cost sharing considerations for the installation of a water system for fire protection on Riddle Road.

4. Adjourn to Regular Meeting

It was MOVED and SECONDED

THAT Council adjourn the Committee of the Whole meeting held September 5, 2017 at 1:49 p.m. and reconvene the Regular Meeting of Council.

CARRIED UNANIMOUSLY

Certified correct:

Confirmed:

Dana Schmidt
Corporate Officer

Andrew Jakubeit
Mayor

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

Tuesday, September 5, 2017
at 6:00 p.m.

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

Staff: Peter Weeber, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Jim Bauer, Chief Financial Officer
Anthony Haddad, Director of Development Services
Ian Chapman, City Engineer
Angie Collison, Deputy Corporate Officer

1. Call to order

Mayor Jakubeit called the public hearing to order at 6:00 p.m. for Zoning Amendment Bylaw No. 2017-53, Official Community Plan Amendment Bylaw No. 2017-54, Zoning Amendment Bylaw No. 2017-55 and Zoning Amendment Bylaw No. 2017-56. 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 bylaws and related DVPs an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act*.

2. "Zoning Amendment Bylaw No. 2017-53" (703 Forestbrook Drive)

The purpose of "Zoning Amendment Bylaw No. 2017-53" is to amend Zoning Bylaw No. 2017-08 as follows:

Rezone Lot 16, District Lot 249 Similkameen Division Yale District Plan 3578, located at 703 Forestbrook Drive from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing).

The applicant is proposing to construct two duplexes.

The Corporate Officer advised that no letters of concern have been received after the printing of the agenda.

DELEGATIONS

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

- Tony Giroux, Giroux Design Group, representing developer, asking for variance due to road widening.
- Gary and Shirley Brim, Forestbrook Drive, spoke against the development, two four-plexes behind us, no privacy in back yard, this will make it worse. Lane is busy, noisy, lane used as short cut to Uplands. Road is full of parked cars and fire trucks wouldn't get through. Cannot park close to our place because everyone has two vehicles, need two parking spaces. Have been there for 32 years, surrounded by developments.
- Tim Lines, Forestbrook Drive, neighbourhood densified, parking is a concern.
- Paul Bourassa, Forestbrook Drive, concerned with parking, how will people get around, there are times when lane jammed with traffic, will clutter the lane.

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.

- Tony Giroux, parking is always a challenge, we designed within the bylaws. May want to consider resident only parking, sounds like parking is an existing problem.

The public hearing for "Zoning Amendment Bylaw No. 2017-53" was terminated at 6:24 p.m. and no new information can be received on this matter.

3. Official Community Plan Amendment Bylaw No. 2017-54 and "Zoning Amendment Bylaw No. 2017-55" (161 Bassett Street)

The purpose of "Official Community Plan Amendment Bylaw No. 2017-54" is to amend Official Community Plan Bylaw No. 2002-20 as follows:

Amend Schedule 'B' Future Land Use designation for Lot 23, Block 124, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District, Plan 1175, located at 161 Bassett Street from LR (Low Density Residential) to MR (Medium Density Residential).

The purpose of "Zoning Amendment Bylaw No. 2017-55" is to amend Zoning Bylaw No. 2017-08 as follows:

Rezone a portion (proposed Parcel B) of Lot 23, Block 124, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District Plan 1175, located at 161 Bassett Street from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing)

and a portion (proposed Parcel A) from R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane).

The applicant is proposing to subdivide 161 Bassett Street into two lots and construct a 4-unit complex on one lot and a duplex on the second lot.

The Corporate Officer advised that 1 letter has been received after the printing of the agenda and distributed to Council.

DELEGATIONS

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

- Tony Giroux, Giroux Design Group, side setback changed because we needed to save construction costs, meet parking requirements.
- Milton Union, Bassett Street, next to property, not approached by developer, concerned with lane houses, transition duplex and residential house quite aggressive, like to see them continue with town house. Change duplex to single family with lane or carriage house that way won't have wall next to property. Concerned with value of property.

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.

- No one spoke.

The public hearing for "Official Community Plan Amendment Bylaw No. 2017-54" and "Zoning Amendment Bylaw No. 2017-55" was terminated at 6:34 p.m. and no new information can be received on this matter.

4. "Zoning Amendment Bylaw No. 2017-56" (597 Ellis Street)

The purpose of "Zoning Amendment Bylaw No. 2017-56" is to amend Zoning Bylaw No. 2017-08 as follows:

Rezone Lot 13, Block 19, District Lot 202, Similkameen Division Yale District, Plan 269 located at 597 Ellis Street from C3 (Mixed Use Commercial) to RM5 (Urban Residential).

The applicant is proposing to construct a 4-unit townhouse development.

The Corporate Officer advised that no letters of concern have been received after the printing of the agenda.

DELEGATIONS

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

- John Green, owner Chase Valley Developments, took around package to

neighbourhood, no responses or questions, providing four parking stalls, rental properties at \$1300 range.

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.

- Tony Giroux, front setback will be conducive with commercial buildings and more privacy to neighbour on Ellis Street.

The public hearing for "Zoning Amendment Bylaw No. 2017-56" was terminated at 6:40 p.m. and no new information can be received on this matter.

Certified correct:

Confirmed:

Dana Schmidt
Corporate Officer

Andrew Jakubeit
Mayor

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

Tuesday, September 5, 2017
at 1:00 p.m.

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

Staff: Peter Weeber, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Anthony Haddad, Director of Development Services
Jim Bauer, Chief Financial Officer
Ian Chapman, City Engineer
Angie Collison, Deputy Corporate Officer

1. Call to Order

The Mayor called the Regular Council meeting to order at 1:01 p.m.

2. Introduction of Late Items

3. Adoption of Agenda

474/2017

It was MOVED and SECONDED

THAT Council adopt the agenda for the Regular Council meeting held on September 5, 2017 as presented.

CARRIED UNANIMOUSLY

4. Recess to Committee of the Whole

Council recessed to a Committee of the Whole Meeting at 1:02 p.m.

5. Reconvene the Regular Council Meeting

Council reconvened the Regular Council Meeting at 1:49 p.m.

6. Adoption of Minutes:

- 475/2017 6.1 Minutes of the August 15, 2017 Committee of the Whole
It was MOVED and SECONDED
THAT Council receive the minutes of the August 15, 2017 Committee of the Whole as presented.
CARRIED UNANIMOUSLY
- 476/2017 6.2 Minutes of the August 15, 2017 Public Hearing
It was MOVED and SECONDED
THAT Council receive the minutes of the August 15, 2017 Public Hearing as presented.
CARRIED UNANIMOUSLY
- 477/2017 6.3 Minutes of the August 15, 2017 Regular Council Meeting
It was MOVED and SECONDED
THAT Council adopt the minutes of the August 15, 2017 Regular Council Meeting as presented.
CARRIED UNANIMOUSLY
- 478/2017 6.4 Minutes of the August 22, 2017 Special Council Meeting
It was MOVED and SECONDED
THAT Council adopt the minutes of the August 22, 2017 Special Council Meeting as presented.
CARRIED UNANIMOUSLY

7. Committee and Board Reports

- 479/2017 7.1 Parks & Recreation Master Plan Steering Committee Minutes of June 8, 2017
It was MOVED and SECONDED
THAT Council receive the minutes of the Parks & Recreation Master Plan Steering Committee meeting of June 8, 2017.
CARRIED UNANIMOUSLY
- 480/2017 7.2 Parks & Recreation Master Plan Steering Committee Minutes of June 22, 2017
It was MOVED and SECONDED
THAT Council receive the minutes of the Parks & Recreation Master Plan Steering Committee meeting of June 22, 2017.
CARRIED UNANIMOUSLY
- 481/2017 7.3 Community Revitalization Select Committee Minutes of August 10, 2017
It was MOVED and SECONDED
THAT Council receive the draft minutes of the Community Revitalization Select Committee meeting of August 10, 2017.
CARRIED UNANIMOUSLY
- 482/2017 7.4 Economic Development & Prosperity Task Force Minutes of August 14, 2017
It was MOVED and SECONDED
THAT Council receive the draft minutes of the Economic Development & Prosperity Task Force meeting of August 14, 2017.
CARRIED UNANIMOUSLY

7.5 Penticton Creek Restoration Committee Minutes of August 16, 2017

483/2017

It was MOVED and SECONDED

THAT Council receive the draft minutes of the Penticton Creek Restoration Committee meeting of August 16, 2017.

CARRIED UNANIMOUSLY

8. Correspondence

9. Staff Reports:

9.1 Penticton District Community Resources Society (PDCRS) Cash Grant Request

Councillor Sayeed declared a conflict of interest and left the meeting at 1:55 p.m.

484/2017

It was MOVED and SECONDED

THAT Council approve a \$5,000 cash grant to Penticton District Community Resources Society to be funded out of the remaining unallocated municipal grants budget for 2017.

CARRIED UNANIMOUSLY

Councillor Sayeed returned to the meeting at 1:57 p.m.

9.2 Signing officers and banker for 2017 and subsequent years

485/2017

It was MOVED and SECONDED

THAT Council approve signing authorities at VALLEY FIRST CREDIT UNION as follows:

A signers

- Peter Weeber, Chief Administrative Officer
- Jim Bauer, Chief Financial Officer
- Angela Campbell, Controller
- Mitch Moroziuk, General Manager of Infrastructure

B Signers

- Andrew Jakubeit, Mayor
- Helena Konanz, Councilor
- Judith Sentes, Councilor
- Tarik Sayeed, Councilor
- Andre Martin, Councilor
- Maxwell Picton, Councilor
- Campbell Watt, Councilor

Signing officers for memberships 727214 and 1319244 (City of Penticton) will be for the calendar year ended December 31, 2017 and subsequent years until changed.

AND THAT Council approve:

- Carla Relvas, Director of Finance, South Okanagan Events Centre
- Dean Clarke, General Manager, South Okanagan Events Centre
- Kevin Webb, SOEC Director of Events, South Okanagan Events Centre
- Paul O'Beirn, PTCC Director of Sales, Penticton Trade and Convention Centre
- Peter Weeber, Chief Administrative Officer
- Jim Bauer, Chief Financial Officer, City of Penticton
- Angela Campbell, Controller, City of Penticton

as signing officers for membership 727313 (South Okanagan Events Centre) for the calendar year ended December 31, 2017 and subsequent years until changed.

CARRIED UNANIMOUSLY

9.3 Penticton Trade & Convention Centre (PTCC) Skylight and Roof Replacement

486/2017

It was MOVED and SECONDED

THAT Council direct staff to proceed with the 2017 PTCC Skylight and Roof replacement project at an estimated cost of \$190,000;

AND THAT Council approve budget transfers from within 2017 Facilities capital budget to fund the project as follows:

Work Order to Transfer Funds From	Amount to Transfer
CAP45051-001 – PTCC project 123 renovations	42,578.71
CAP45053-001 - PTCC replace electrical service	19,754.49
CAP45077-005 – SOEC LED lighting	48,660.29
CAP45078-002 – PTCC Carpet replacement	27,958.33
CAP45078-005 - PTCC LED lighting	15,000.00
CAP45003-001 – City Yards Roof Replacement	35,868.18

CARRIED UNANIMOUSLY

9.4 Carmi Reservoir Expansion Project Funding Change

487/2017

It was MOVED and SECONDED

THAT Council approves the funding of \$1,174,450 for the Carmi Reservoir Expansion Project as per the Clean Water and Wastewater Fund Agreement # C40128, with the additional required funds of \$325,550 to be transferred from the water surplus account.

CARRIED UNANIMOUSLY

10. Public Question Period

11. Recess to In-Camera Meeting

488/2017

It was MOVED and SECONDED

THAT Council recess at 2:17 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 (1) as follows:

- (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;*
 - (g) *litigation or potential litigation affecting the municipality;*
 - (i) *the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;*
 - (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

12. Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.

Council reconvened the Regular Council Meeting at 6:41 p.m.

13. Reconsideration of Bylaws and Permits

13.1 Fees and Charges Amendment Bylaw No. 2017-52

489/2017

It was MOVED and SECONDED

THAT Council adopt "Fees and Charges Amendment Bylaw No. 2017-52".

CARRIED UNANIMOUSLY

13.2 Zoning Amendment Bylaw No. 2017-53
Re: 703 Forestbrook Drive

490/2017

It was MOVED and SECONDED

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2017-53".

CARRIED UNANIMOUSLY

13.3 OCP Amendment Bylaw No. 2017-54
Zoning Amendment Bylaw No. 2017-55
Re: 161 Bassett Street

491/2017

It was MOVED and SECONDED

THAT Council give second and third reading to "Official Community Plan Amendment Bylaw No. 2017-54";

AND THAT Council adopt "Official Community Plan Amendment Bylaw No. 2017-54".

CARRIED UNANIMOUSLY

492/2017

It was MOVED and SECONDED

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2017-55".

CARRIED UNANIMOUSLY

13.4 Zoning Amendment Bylaw No. 2017-56
Development Variance Permit PL2017-7971
Re: 597 Ellis Street

493/2017

It was MOVED and SECONDED

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2017-56";

AND THAT Council adopt "Zoning Amendment Bylaw No. 2017-56".

CARRIED UNANIMOUSLY

494/2017

It was MOVED and SECONDED

THAT Council approve "Development Variance Permit PL2017-7971", a permit to reduce the minimum front yard from 2.5m to 0.9m and to vary the Subdivision Bylaw requirement of a driveway to a corner lot being located a minimum of 10m from a flanking street to a minimum of 4.0m from a flanking street.

CARRIED UNANIMOUSLY

- 13.5 Zoning Amendment Bylaw No. 2017-43
Development Variance Permit PL2017-7969
Re: 602/640 Eckhardt Avenue W

495/2017

It was MOVED and SECONDED

THAT Council adopt "Zoning Amendment Bylaw No. 2017-43";
AND THAT Council approve "Development Variance Permit PL2017-7969", a permit to increase the maximum height from 12.0m to 13.5m and to waive the requirement for bicycle parking.

CARRIED UNANIMOUSLY

14. Land Matters

- 14.1 Development Variance Permit PL2017-7975
Re: 402 Orchard Avenue

Delegations/Submissions: nil

496/2017

It was MOVED and SECONDED

THAT Council approve "Development Variance Permit PL2017-7975" for Parcel "A" (See KM48616) Block G District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 853, located at 402 Orchard Avenue, a permit to reduce the minimum lot area from 275m² to 263m² to facilitate a two-lot subdivision; AND THAT staff be directed to issue "Development Variance Permit PL2017-7975."

CARRIED UNANIMOUSLY

- 14.2 Development Variance Permit PL2017-7992
Re: 541 Papineau Street

Delegations/Submissions: Tony Giroux, Giroux Design Group, Developer went door to door, all positive feedback.

497/2017

It was MOVED and SECONDED

THAT Council approve "Development Variance Permit PL2017-7992" for Lot 2 District Lot 202 Similkameen Division Yale District Plan 10464, located at 541 Papineau Street, a permit to decrease the minimum lot width from 9.1m to 8.95m and to decrease lot area from 275m² to 273m² to facilitate a 2-lot subdivision, and to decrease the minimum interior side yards between the duplexes on Proposed Lot 1 and Proposed Lot 2 from 1.5m to 1.3m; AND THAT staff be directed to issue "Development Variance Permit PL2017-7992."

CARRIED UNANIMOUSLY

- 14.3 Zoning Amendment Bylaw No. 2017-59
Re: 342/346 Van Horne Street

498/2017

It was MOVED and SECONDED

THAT "Zoning Amendment Bylaw No. 2017-59," a bylaw to rezone Lot 8 Block 29 District Lot 202 Similkameen Division Yale District Plan 479, located at 342 Van Horne Street and The North ½ of Lot 9 Block 29 District Lot 202 Similkameen Division Yale District Plan 479, located at 346 Van Horne Street from RD2 (Duplex Housing: Lane) to RM5 (Urban Residential), be given first reading and forwarded to the September 19, 2017 Public Hearing;

AND THAT prior to adoption of "Zoning Amendment Bylaw No. 2017-59," the subject lots are consolidated and registered with the Land Title Office.

CARRIED UNANIMOUSLY

- 14.4 Official Community Plan Amendment Bylaw No. 2017-57
 Zoning Amendment Bylaw No. 2017-58
 Development Variance Permit PL2017-8013
 Re: 68 & 76 Roy Avenue

499/2017

It was MOVED and SECONDED

THAT prior to consideration of "Official Community Plan Amendment Bylaw No. 2017-57" and in accordance with Section 475 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 consultation conducted to date is sufficient;

AND THAT "OCP Amendment Bylaw No. 2017-57", being a bylaw to amend "OCP Bylaw No. 2002-20" changing the OCP designation on Lot 9 District Lot 115 Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10 District Lot 115 Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, shown as Attachment 'B' of this report, from LR (Low Density Residential) to MR (Medium Density Residential) and to amend Schedule 'H' Development Permit Area Map of the City's OCP, to include the subject property in the General Multiple Family Development Permit Area; be introduced, given first reading and forwarded to the September 19, 2017 Public Hearing.

THAT "Zoning Amendment Bylaw No. 2017-58," being a bylaw to rezone Lot 9 District Lot 115 Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10 District Lot 115 Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, from R1 (Large Lot Residential) to RM2 (Low Density Multiple Housing), be given first reading and forwarded to the September 19, 2017 Public Hearing.

THAT delegations and submissions for "Development Variance Permit PL2017-8013" for Lot 9 District Lot 115 Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10 District Lot 115 Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, a permit to reduce the minimum lot width of Proposed lot A, B and C from 18.0m to 12.0m, to waive the requirements to provide trees and shrubs in the landscape buffer area, and to reduce the minimum interior side yard of a principal building from 3.0m to 1.5m, be heard at the September 19, 2017 Public Hearing;

AND THAT Council consider "DVP PL2017-8013" following the adoption of "Zoning Amendment Bylaw No. 2017-58."

CARRIED UNANIMOUSLY

- 15. **Notice of Motion**
- 16. **Business Arising**
- 17. **Council Round Table**
- 18. **Public Question Period**
- 19. **Adjournment**

500/2017

It was MOVED and SECONDED

THAT Council adjourn the Regular Council meeting held on Tuesday, September 5, 2017 at 7:16 p.m.

CARRIED UNANIMOUSLY

Certified correct:

Confirmed:

Dana Schmidt
Corporate Officer

Andrew Jakubeit
Mayor

Parks & Recreation Master Plan Steering Committee Meeting

Held at City of Penticton, Committee Room A
171 Main Street, Penticton, B.C.

Thursday, August 10, 2017
at 1:00 p.m.

Present: Judy Sentes, Councillor
Ron Ramsay, Chair
James Palanio, Vice-Chair
Roland Curnow, Organized Field Sport Representative
Adolf Steffen, Development Community Representative
Sharon Devlin, Member at Large
Peter Dooling, Member at Large
Gary Denton, Member at Large

Staff: Jeff Lynka, Parks Supervisor
Lori Mullin, Recreation & Culture Manager
Anthony Haddad, Director of Development Services
Bregje Kozac, Manager of Facilities
JoAnne Kleb, Communication Engagement Officer
Lorraine Williston, Corporate Committee Secretary

Guest: Stewart Ladyman

1. Call to Order

The Parks & Recreation Master Plan Steering Committee was called to order by the Chair at 1:01 p.m.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the Parks & Recreation Master Plan Steering Committee adopt the agenda for the meeting held on August 10, 2017 as amended. Refer item 5.1(a).

CARRIED UNANIMOUSLY

3. Adoption of Minutes

3.1 Minutes of the June 8, 2017 Parks & Recreation Master Plan Steering Committee Meeting

It was MOVED and SECONDED

THAT the Parks & Recreation Master Plan Steering Committee adopt the minutes of the June 8, 2017 meeting as circulated.

CARRIED UNANIMOUSLY

3.2 Minutes of the June 22, 2017 Parks & Recreation Master Plan Steering Committee Meeting

It was MOVED and SECONDED

THAT the Parks & Recreation Master Plan Steering Committee adopt the minutes of the June 22, 2017 meeting as circulated.

CARRIED UNANIMOUSLY

4. Arena Task Force Presentation and Q&A

The Manager of Facilities and the Penticton Arena Task Force Chair presented an overview of the mandate and vision of the Task Force.

Gary Denton arrived at the meeting at 1:09 p.m.

The Penticton Arena Task Force Chair summarized the process to date that included:

- Identifying user needs
- Reviewing arena use and functionality
- Conducting detailed studies of existing facilities
- Conducting an analysis for a new arena feasibility
- Gathering public feedback
- Researching potential funding options

The six options that were considered by the Task Force and the recommendation made to Council were provided for information. Discussion and questions followed.

Bregje Kozak and Stewart Ladyman left the meeting at 1:38 p.m.

5. Business Arising from Prior Meetings

5.1 Vision and Values

The Chair provided an update on the sub-committee's work to date and reviewed recommendations on key words/areas that should be included in the vision and values statements. The four (4) draft vision statements prepared by the sub-committee members were reviewed and discussed. Suggestions on wording amendments and recommendations on consolidating the value statements to reduce repetition were noted and updated vision and revised value statements will be brought back to the steering committee for review at the next meeting.

JoAnne Kleb left the meeting at 2:49 p.m.

5.1(a) Additional Sub-Committees

The Chair suggested that additional sub-committees be formed to review other sections of the draft master plan and bring forth recommendations to the committee for consideration. The Chair commented that this process has saved a lot of time with respect to the values and vision statement. The Chair stated he will come up with a proposed outline of potential topics for sub-committees to review and encouraged members to participate. The sub-committees would consist of volunteer steering committee members and stakeholder group members. The Recreation and Culture Manager further noted that one staff person would also be a part of each sub-committee and suggested a sign-up sheet listing the different sections could be emailed out to members and stakeholder groups. Discussion followed and concerns were raised as to the lack of discussion of other important issues that should be addressed prior to forming sub-committees.

Anthony Haddad left the meeting at 2:57 p.m.

Staff suggested outstanding agenda items related to park use could be addressed first. The Director of Development Services' workshop/discussions on park use will be brought back at the next meeting. Other outstanding agenda items could be discussed in the section-by-section review completed by the sub-committees and then brought back to the Parks & Recreation Master Plan Steering Committee for further discussion.

The Chair commented priorities need to be expedited as items will be coming forward that will need to be dealt with and stated establishing a Parks and Recreation Advisory Committee is a priority. Discussion followed on the process for establishing a Parks and Recreation Advisory Committee and an end goal for completing the master plan by December 31, 2017. Concerns were raised over whether it is better to wait until the master plan is done before establishing a Parks and Recreation Advisory Committee and on the timing on completing the master plan.

5.2 Capital Allocation – Follow Up

The Chair commented that this is a huge complicated issue and there needs to be fair access. Discussion followed and partnership agreements were recommended as a solution. Staff noted the Implementation Plan in the draft master plan does address partnerships and suggested the sub-committee of this section could do a full review of the Implementation Plan and provide recommendations to the Parks & Recreation Master Plan Steering Committee.

5.3 PRMP Draft 2 – Connectivity of Trails – Skaha to Campbell Mountain

Peter Osbourne was invited to the table to provide an update on efforts made to date to connect a trail/pathway from the Esplanade to Skaha Lake. Mr. Osbourne commented he has talked to both the Penticton Indian Band and the RDOS and provided information on the proposed pathway by the airport and noted progress has been slow due to the recent election of a new PIB Council.

Judy Sentes left the meeting at 3:44 p.m.

5.4 PRMP Draft 2 – Encroachment

Sharon Devlin invited the group to participate in an exercise demonstrating personal encroachment. Following the exercise, Ms. Devlin reviewed examples of other types of encroachments and comments from her written submission. Questions and discussion ensued regarding Licence to Use agreements. Staff suggested including public consultation as part of the policy with respect to encroachments onto parkland. It was also recommended the wording in the master plan should be stronger and that encroachment should not be tolerated.

5.5 PRMP Draft 2 – Verbatim Comments

Tabled to next meeting.

6. **Next Meeting**

6.1 August 30, 2017 Meeting Agenda Review

Staff reviewed agenda items for the next meeting.

7. **Adjournment**

It was MOVED and SECONDED

That the Parks & Recreation Master Plan Steering Committee adjourn the meeting held on Thursday, August 10, 2017 at 4:17 p.m.

CARRIED UNANIMOUSLY

Certified Correct:



Lorraine Williston
Corporate Committee Secretary

Transportation Advisory Committee Meeting

held at City of Penticton Committee Room A
171 Main Street, Penticton, B.C.

Tuesday, August 29, 2017
at 3:00 p.m.

- Present:** Tarik Sayeed, Councillor
Tracy Van Raes, Chair
Connie Sahlmark, Vice-Chair
Daryl Clarke, PIDA Representative
Matt Berry, Penticton Transit Representative
Ian Gerbrandt, handyDART Representative
Daniel Pizarro, BC Transit Representative (Via Conference Call)
Karina Chambers, Member at Large
Martyn Lewis, Member at Large
Brigid Kemp, Member at Large
Kona Lynn Sankey, Member at Large
Matt Hopkins, Member at Large
- Staff:** Mitch Moroziuk, General Manager of Infrastructure
Ian Chapman, City Engineer
Tyler Figgitt, Design Supervisor
Lorraine Williston, Committee Secretary

1. Call to Order

The Transportation Advisory Committee was called to order by the Acting Chair at 3:01 p.m. The Chair introduced the two new members.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the Transportation Advisory Committee adopt the agenda for the meeting held on August 29, 2017 as amended (refer to 4.2).

CARRIED UNANIMOUSLY

3. Adoption of Minutes

It was MOVED and SECONDED

THAT the Transportation Advisory Committee adopt the minutes of the June 27, 2017 meeting as circulated.

CARRIED UNANIMOUSLY

4. Business Arising from Prior Meetings

4.1 BC Transit Conference Update

The Penticton Transit representative provided an update on the recent conference held in Penticton on June 5, 2017, noting it was a very good opportunity to talk about present transit issues and provided a recap of the workshops and conference highlights including accomplishments. For additional information on the workshops, please contact the Penticton Transit representative.

4.2 BC Transit Update

The BC Transit representative provided an update on the regional service expansion commenting it has been well received. BC Transit will continue to monitor and assess ridership. The next phase will be the transit integration between Summerland and Kelowna in 2019. The BC Transit representative reviewed the features of the new Transit Trip Planner app for smart phones noting this will be implemented in the RDOS in 2018.

An update was provided on the improved service on Route #5 in Penticton that will begin on September 5. Staff noted they are working on installing transit guides at the major transit hubs and are exploring changing its fleet to natural gas. Discussion and questions followed.

Daniel Pizzaro left the meeting at 3:20 p.m.

4.3 Sidewalk Installation Priority List

The Design Supervisor presented information on the city's existing number of sidewalks and urban roads with no sidewalks within city limits including the total that do not meet the bylaw minimums.

Staff confirmed a sidewalk installation plan, policy and goals are needed to help identify and prioritize city blocks where a sidewalk would be a great benefit. The Design Supervisor provided a draft overview of the implementation process, priority analysis and criteria. The goal is to methodically and thoroughly rank new sidewalk priorities that would include citizen feedback to provide a transparent method of evaluating the needs of the community. Staff commented a lot of work still needs to be done and a draft document will be provided at the next meeting for review. Discussion and questions followed.

4.4 Petition re: Atkinson Street Safety Concerns

Further to the request by the committee for information on previous safety concerns received, staff reviewed and answered questions on the list of actions and outcomes that have been addressed to date.

Tracy Van Raes left the meeting at 4:00 p.m.

4.5 'Penticton Slow Down' Sign Campaign Update

The General Manager of Infrastructure provided an update on Council's direction stating Council has elected not to proceed with this campaign.

5. **New Business**

The PIDA representative questioned staff on the recent event road closures requesting businesses affected should be notified as the industrial association had not been. Safety concerns were also raised regarding volunteer traffic controllers. Discussion and questions followed. Staff commented things can be done to better inform the community before and during events.

6. **Next Meeting**

The next scheduled meeting of the Transportation Advisory Committee will be September 26, 2017 at 3:00 p.m.

7. **Adjournment**

It was MOVED and SECONDED that the Transportation Advisory Committee adjourn the meeting held on Tuesday, August 29, 2017 at 4:25 p.m.

Certified Correct:

Lorraine Williston
Committee Secretary

Community Revitalization Select Committee Meeting

held at City of Penticton Committee Room A
171 Main Street, Penticton, B.C.

Thursday, September 6, 2017
at 8:00 a.m.

Present: Campbell Watt, Councillor
Judy Sentes, Councillor
Lynn Allin, Downtown Penticton Association Representative
Deborah Moore, Chamber of Commerce Representative
Tim Scott, Member at Large
Jim Meyer, Member at Large
Cheryl Watts, Member at Large
Don Cocar, Member at Large
Skyler Punnett, Member at Large

Staff: Anthony Haddad, Director of Development Services
Ian Chapman, City Engineer
Lorraine Williston, Committee Secretary

1. Call to Order

The Community Revitalization Select Committee was called to order by the Acting Chair at 8:00 a.m.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the Community Revitalization Select Committee adopt the agenda for the meeting held on September 6, 2017 as circulated.

CARRIED UNANIMOUSLY

3. Adoption of Minutes

It was MOVED and SECONDED

THAT the Community Revitalization Select Committee adopt the minutes of the August 10, 2017 meeting as amended.

CARRIED UNANIMOUSLY

4. **Appointment of Committee Chair and Vice-Chair**

It was MOVED and SECONDED

THAT Lynn Allin be appointed as Chair and Deborah Moore as Vice-Chair for the Community Revitalization Select Committee for the 2017-2018 term.

CARRIED UNANIMOUSLY

5. **Business Arising from Previous Meetings**

5.1 Downtown Plan & Development Update

The Director of Development Services reviewed the recent and upcoming developments and renovations in the downtown core that included new residential and mixed-use units and infill redevelopments, project/partnership investment, streetscape enhancements, Penticton Creek rehabilitation works and the 300 and 400 Block façade painting project.

The Director of Development Services reviewed the design process and enhancements for the 100 and 200 Block.

Campbell Watt left the meeting at 8:20 a.m.

Discussion and questions followed on economic investments zones and staff noted the current economic investment zones will be coming to an end in 2018 and staff will be looking for direction from this committee on where to go next and if other areas of the city should be included. Discussion ensued on population growth in the downtown core.

5.2 300 Block Revitalization

The Director of Development Services presented an overview of the design process to date and the information that has been provided to land owners. Discussion and questions followed on the Wade Ave intersection and grade options and how to transition from three to two lanes between the 300 and 400 blocks. The City Engineer commented staff are also looking at ways to mediate this matter for the motorcycle teams participating in the Peachfest parade.

The Director of Development Services reviewed the Local Area Improvement process and owner contribution cost breakdown.

The Director of Development Services outlined the timeline for construction and reviewed the total project cost estimate including the landowners' and City of Penticton's contribution and budget process. Discussion and questions followed on if funds could be borrowed if required. Staff confirmed a recommendation to Council would be needed.

It was MOVED and SECONDED that the Community Revitalization Select Committee recommends:

THAT Council proceed with the Local Area Improvement process for the 300 Block Main Street Project.

CARRIED UNANIMOUSLY

Further discussion followed on having a backup plan or an alternate plan for funding including borrowing funds and timing. The committee's prime objective is to complete the 300 Block Main Street project by June 2018.

It was MOVED and SECONDED that the Community Revitalization Select Committee recommends:

That if funding is not available through the 2018 budgeting process that Council direct staff to seek alternative funding to ensure the 300 Block Main Street Project is completed by June 2018.

CARRIED UNANIMOUSLY

Deborah Moore left the meeting at 9:09 p.m.

Further discussion followed on timelines with respect to the approval process for a borrowing bylaw. The Chair suggested a fountain feature similar to that installed by the Peach be considered for this project. Discussion ensued on installing additional washrooms downtown. Staff confirmed they are looking at potential locations in the 300 and 400 blocks. It was agreed more washroom locations are needed in the downtown core. Washrooms to be added to the next agenda for discussion.

It was MOVED and SECONDED that the Community Revitalization Select Committee recommends that an additional washroom be located in the 300 Block with a location to be determined and form and function to model of that installed in the 200 Block.

CARRIED UNANIMOUSLY

5.3 400 Block Breezeway

The Chair commented business owners in the 400 block would like the breezeway to model the one in the 300 block. Staff noted this matter has been looked at in the past and reviewed the issues, noting the walkway is on private property and would require approval and an easement from the property owner. Staff reviewed the safety issues that would also have to be mediated to create a public corridor. The Chair stated she will contact the owner and provide an update at the next meeting. Staff were asked to look at the costs of installing a canopy and signage and provide an update at the next meeting.

5.4 500 & 600 Block Landowner Requests

The Chair brought forth concerns raised by the 500 and 600 block business/landowners. The owners have requested the street light posts be upgraded to accommodate flower baskets and power for Christmas lights/wreaths to help beautify their blocks. Discussion and questions followed. Suggestions including adding flower planters and lower standard lighting. Staff will look into the request and provide an update at the next meeting on potential options.

6. **New Business**

7. **Next Meeting**

The next scheduled meeting for the Community Revitalization Select Committee is Thursday, October 26, 2017 at 7:30 a.m. Future meetings will be held on the 4th Thursday of each month.

8. **Adjournment**

It was **MOVED and SECONDED** that the Community Revitalization Select Committee adjourn the meeting held on Wednesday, September 6, 2017 at 9:44 a.m.

Certified Correct:

Lorraine Williston
Committee Secretary

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Ben Johnson, Special Projects Manager

File No: RMS 6530-20

Subject: Skaha Bluffs Area Boundary Extension

Staff Recommendation

THAT Council direct staff to initiate the electoral approval process for the Skaha Bluffs Area Boundary Extension;
AND THAT Council direct staff to employ the Alternative Approval Process, as defined in the *Community Charter*, Section 86, to obtain electoral approval for the Skaha Bluffs Area Boundary Extension.

Strategic priority objective

The lands identified for annexation have been contemplated by the City's long range land use and infrastructure plans and represent good planning practice, with a responsible amount of density adjacent to existing development and infrastructure, and enhanced ecological protection and access to recreational opportunities. The Official Community Plan supports growth of our community in this area.

Background

In 2014, Penticton City Council adopted a bylaw amending the City's Official Community Plan (OCP) adding the Upper Wiltse Area Structure Plan to the OCP. The Plan area consists of 630 acres of land with approximately 330 acres within in the City of Penticton (North Block) and the remaining 300 acres located in Electoral Area D2 - East Skaha Vaseux (South Block) (see Attachment A). The Upper Wiltse Area Plan envisions the South Block being 'annexed' through a boundary extension process into the City of Penticton. At build out, between the two development blocks an approximate 800-850 new residential units are proposed, servicing an estimated population of 1,600 persons. The current plan envisions approximately 180 of those units in the South Block.

In February, 2017, City received a letter on behalf of proponents interested in developing the South Block to begin the process of bringing the subject lands into the City of Penticton. On March 7, Council formally received the letter and directed staff to proceed, through Resolution 168/2017, with external referrals and to amend the development procedures and fees and charges bylaws to accommodate the boundary extension process.

On April 6, 2017, a public open house on the proposed annexation and development plan was hosted by the proponents and their consultant at the Penticton Community Centre. The feedback was generally positive and was summarized in Council Report dated July 4, 2017.

At the Council Meeting on July 4, Council directed staff, through resolution 381/2017, to submit the boundary extension application package to the Ministry of Community and Rural Development.

9.4 Boundary Expansion Request - Re: Wiltse South Block

381/2017 **It was MOVED and SECONDED**

THAT the City of Penticton proceed with the proposed South Wiltse Block area boundary extension proposal; AND THAT City of Penticton staff be authorized to develop, sign, and submit the proposal to the Provincial Government.

CARRIED UNANIMOUSLY

Financial implication

Boundary extensions can have large financial implications on a municipality – either positive or negative. If a municipality is taking on an area that is inhabited and has existing infrastructure the liability to maintain the infrastructure then falls on the new municipality. But the municipality would also be able to tax the area adding to revenue for the community. There are many other economic, ecological and social considerations that a municipality must consider when committing to expand its borders and will be under review as part of this process.

In this case, these lands only represent one parcel of land and there is currently no infrastructure or persons living on the lands. Because this area was contemplated in the 2014 Upper Wiltse Area Structure Plan exercise, some of the impacts mentioned above have been reviewed and planned for. Nevertheless, a full review of the pros and cons of expanding into this area will be undertaken from a financial, environmental and social perspective. These impacts will be evaluated by staff through the annexation process and the subsequent subdivision, OCP and zoning process and reported out for Council consideration at the appropriate stage.

As part of the boundary extension process there is a requirement for electoral approval. This is spoken to in further detail below. The developers have agreed to cover any costs associated with this process.

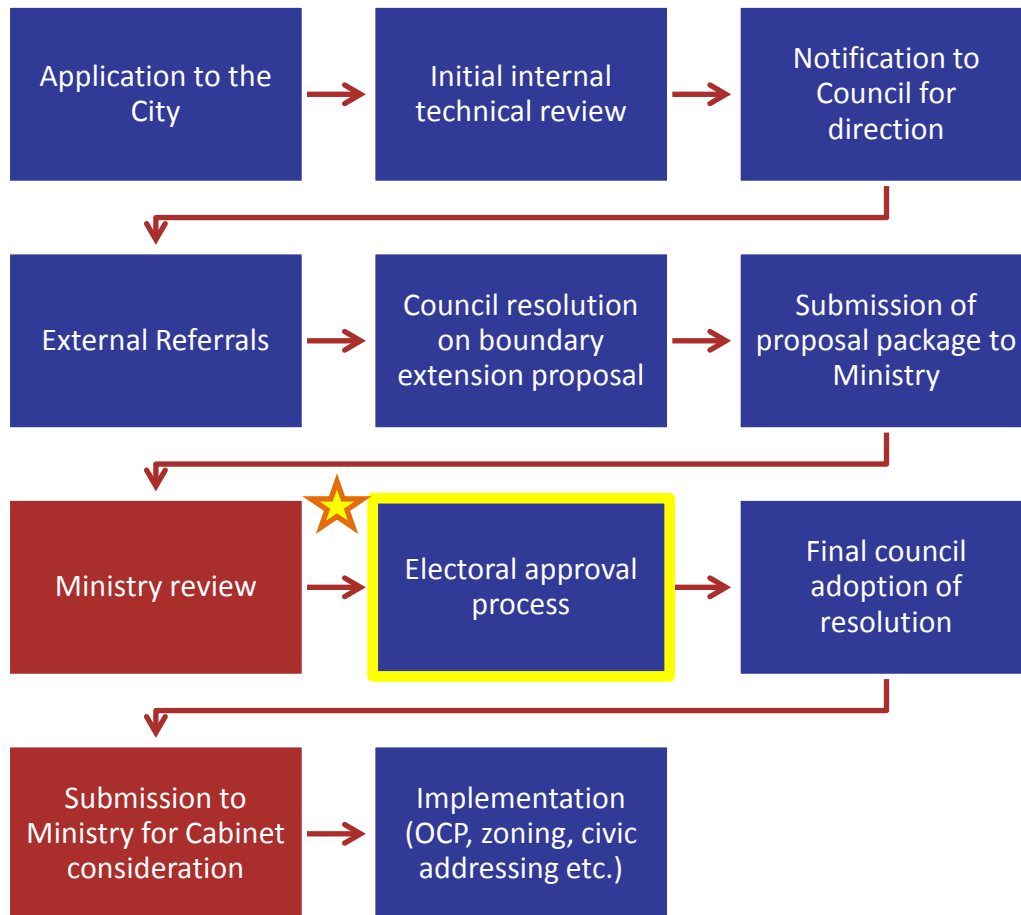
Analysis

The proposal that has been received by the City in February largely meets the intent of the Upper Wiltse Area Structure Plan that was approved in 2014 and forms a part of the Official Community Plan. The intention is to create a logical extension of the development in the Upper Wiltse area, building on the existing street network and servicing to provide approximately 180 new residential units. The developable area is limited to the northwest portion of the 300-acre block.

The Upper Wiltse Area Structure Plan recognized the ecological value of large areas in the block which are adjacent to Skaha Bluffs Provincial Park. The City has facilitated conversations between the proponents and

BC Parks, and the developer has indicated that they support, in principle and subject to further discussion and support by the Province, the dedication of a significant proportion of the land to create an expansion of Skaha Bluffs Provincial Park.

The steps in the boundary extension process are defined largely by the Ministry of Community and Rural Development's requirements:



Staff submitted the proposal package to the Ministry in mid-July. The Ministry has reviewed the package, deemed it complete, and has drafted an internal administrative report on the proposed boundary extension. The Ministry has indicated that the initiative can proceed to the electoral approval phase, which is a requirement for boundary extensions under the Local Government Act, Section 12.

Electoral approval can happen in one of two ways:

1. through a referendum, where 50% of voters would have to vote in favor of the boundary extension for it to be supported, or
2. through an Alternative Approval Process, whereby at least 10% of the electors would have to petition against the boundary extension.

Staff are recommending the Alternative Approval Process (AAP), which is defined in the Community Charter, Section 86. Under the AAP, electors are given a minimum of a month to petition against the proposed boundary extension. The petitions are recorded on forms available at City Hall, and the following dates are proposed:

September 21 & 27	Notification of AAP in local media
October 1	AAP period begins
November 3	Deadline for submission of petitions
November 6	AAP results announced

There are 26,806 electors in the City of Penticton. If 2,681 or more of them (>10%) petition against the boundary extension, the electors therefore indicate that Council may not proceed with the boundary extension.

Should the extension be supported, Council will be asked to consider a resolution confirming the request to the Minister to extend the boundary of Penticton to include the South Block. Cabinet will then consider the application, and the City will be informed of their decision. It is anticipated that this will happen in late 2017.

Once the boundary extension is complete, staff will work with the landowners, their consultants and the community to refine the development plan for the lands, including OCP amendments, subdivision, servicing and zoning. While some technical work is currently underway, including environmental and archeological analysis, the majority of technical work and community engagement will take place early in 2018.

Community Engagement Approach

A community engagement strategy for the boundary extension has been developed to build awareness of the process and to help gather feedback. Engagement will go well beyond what is required under the Community Charter, and will include two open houses in the neighbourhoods nearby the proposed boundary extension. Additional elements in the strategy include:

- Shape Your City page
- news release
- announcements in local media
- announcement in the Utility Newsletter
- a date at the Community Market
- targeted stakeholder meetings.

Objectives of the engagement are to raise awareness of the opportunities inherent in the boundary extension and to enable citizens to make an informed decision during the AAP process.

Alternate recommendations

THAT Council direct staff to initiate a referendum requiring the assent of 50% or more of the electors to obtain electoral approval for the boundary extension at the time of the 2018 general election.

Or

THAT Council direct staff to not proceed with the boundary extension.

Attachments

Attachment A – Map of Proposed Skaha Bluffs Area Boundary Extension

Attachment B – Alternate Approval Process Elector Response Form

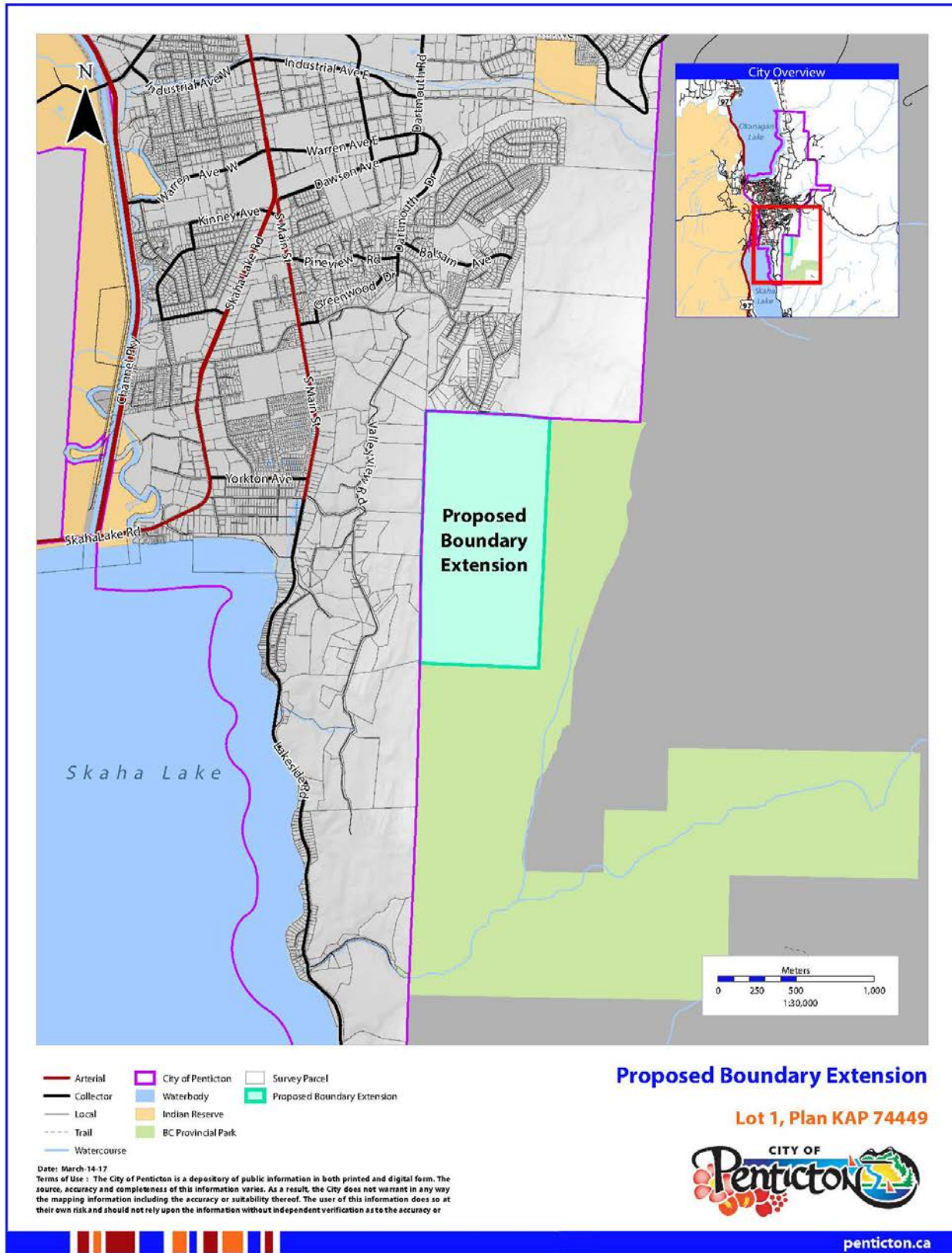
Respectfully submitted,

Ben Johnson
Special Projects Manager

Approvals

Director	Chief Administrative Officer
AH	PW

Attachment A – Map of Proposed South Wiltse Block Boundary Extension



Elector Response Form



Skaha Bluffs Area Boundary Extension

I am an elector of the City of Penticton and by signing below; I hereby indicate that the Council of the City of Penticton should not proceed to ask the Minister of Municipal Affairs & Housing for an extension to the City of Penticton boundary to include the lands described below, without first obtaining the approval of the electors with a majority vote.

Lot 1, Plan 74449, Osoyoos Division Yale District
 [Land adjacent to Upper Wiltse Area, bordered by the City of Penticton on the north and west sides, and the Skaha Bluffs Provincial Park to the east and south.]

I hereby acknowledge that I am an eligible elector in the City of Penticton and meet the following qualifications:

Resident Elector

- Age eighteen or older;
- A Canadian citizen;
- A resident of British Columbia for at least six months;
- A resident of the City of Penticton for at least thirty days; and
- Not disqualified from voting by the Local Government Act or any other Act.

Non-resident Property Elector

- Not entitled to register as a resident elector for the City of Penticton;
- Age eighteen or older;
- A Canadian citizen;
- A resident of British Columbia for at least six months;
- A registered owner of real property within the City of Penticton for at least thirty days (property must be registered in a personal name, not a company name); and
- Not disqualified from voting by the Local Government Act or any other Act.

* NAME OF ELECTOR IN FULL: (please print legibly)	
* SIGNATURE OF ELECTOR:	
PHONE NUMBER: (to verify elector eligibility if necessary)	
* RESIDENTIAL ADDRESS: (if applicable, the address of the property in relation to which you are entitled to register as a non-resident property elector)	
DATE:	

Elector response forms must be delivered by mail or in person to Dana Schmidt, Corporate Officer, City of Penticton, 171 Main Street, Penticton, BC, V2A 5A9 by **October 31, 2017 at 4:30 pm** to be considered.

*Required information

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Jim Bauer, Chief Financial Officer
Subject: Challenge Triathlon Agreement

File No:

That Council support the amendment of the City of Penticton's Challenge Triathlon agreement with MB Events to modify the triathlon brand;

AND THAT Council direct staff, upon receiving the legal assurances, amend the agreement and authorize the Mayor and Corporate Officer to execute the revised agreement.

Background

Penticton hosted its 30th and final Ironman Canada Triathlon in August 2012. After entering into an agreement with Penticton Triathlon Race Society to stage Challenge Penticton in 2013 and 2014, the City of Penticton issued a Request for Proposals (RFP) on its Challenge Family license. KCBM Events (now MB Events) was awarded the license in August 2014. Under terms of an agreement with the City to host Challenge Penticton from 2015-2019, MB Events each year received from the City \$110,000 value in-kind (VIK) and paid the City \$60,000. MB Events staged Challenge Penticton in 2015, 2016 and 2017, making three payments to the City of \$60,000 with two payments (\$120,000) remaining. The City and MB Events signed a separate agreement to secure the International Triathlon Union (ITU) Multisport World Championships Festival for Penticton in August 2017.

Michael Brown has approached the City indicating his intent to cancel his arrangement with the Challenge Family and has requested the City to amend the existing agreement to change the brand of the annual triathlon event.

Michael Brown remains committed to delivering a triathlon event in late August that will draw between 900-1,500 participants for the remaining two year term of the agreement.

Financial Implication

The financial implication to the City of amending the agreement with MB Events to host a triathlon in Penticton based on the existing terms and conditions are:

- The City will continue to provide annual support to MB Events of up to \$110,000 of value in-kind, the same level as previously committed to Challenge since 2015.
- MB Events will continue to repay the City \$120,000 that is outstanding from the Challenge Triathlon agreement in \$60,000 annual installments over the two years, consistent with the present agreement.

Analysis

By amending the challenge agreement allows MB Events to deliver a triathlon under a different brand and will enable the City of Penticton to continue participating in the sport of triathlon and deliver an event that will draw participants to the City and generate economic benefits to the City.

Legal Considerations

In order to understand the legal implications with amending the Challenge agreement the City sought legal advice to determine what if any risks exist. The conclusion is that while there are some risks, they are fairly minimal, and to further mitigate those risks, if the City received the following assurances from MB Events, it would fully mitigate the risks.

- Evidence that the Challenge Licence Agreement is no longer in force or has been terminated by mutual agreement;
- A representation and warranty that Mr. Brown is not a party to any licence or other agreements that would be breached by the hosting/execution of the proposed new event;
- An agreement to indemnify and save harmless the City from any claims that may arise under the New Challenge Licence Agreement, the Transition Agreement or the original Challenge licence agreement that the City was a party to.

At the time of writing this report these assurances have not be received however Michael Brown has committed they are forthcoming.

Alternative Recommendation:

THAT Council provide alternative direction to staff.

Respectfully submitted,



Jim Bauer, Chief Financial Officer

Approvals

Chief Administrative Officer <i>PW</i>
--

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Blake Laven, Planning Manager
Subject: **Economic Investment Zone Agreements (2017 Completions)**

File No: RMS 6630-20

Staff Recommendation

THAT Council enter into Revitalization Tax Exemption Agreements with the owners of the following ten properties:

- 553 Veas Drive
- 21 Lakeshore Drive
- 409 Ellis Street
- 225 Main Street
- 331 Van Horne Street
- 325 Van Horne Street
- 340 Ellis Street
- 105 – 300 Okanagan Avenue
- 2060 Government Street
- 232 Rosetown Avenue

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 priorities of Downtown revitalization and employment creation.

Background

The Economic Investment Zone program was originally adopted by Council in 2010 to provide economic incentives for specified uses in key areas within the city. The three current EIZ bylaws provide for incentives in the downtown and in the industrial zones as well as a city wide incentive for major projects (over \$17 million in construction value).

Including the projects identified in this report, investments in these areas through the EIZ program has equaled more than \$67 million dollars in construction value over almost 40 projects in the 6+ years that the program has been running. The estimated employment impact is 630 + jobs created.

The current ten projects being brought forward at this time themselves represent over \$30 million dollars in construction value. All the projects have met eligibility for tax exemption benefits under the program beginning in the 2018 tax year.

The projects will receive benefits under three separate bylaws. For properties in the downtown projects will qualify under Bylaw 2014-04 (6 projects). For properties in the industrial zones, projects will qualify under Bylaw 2014-44 (2 projects). The casino and wine centre qualifies under Bylaw 2015-52, which was established to incentivize major projects (over 17 million in construction value).

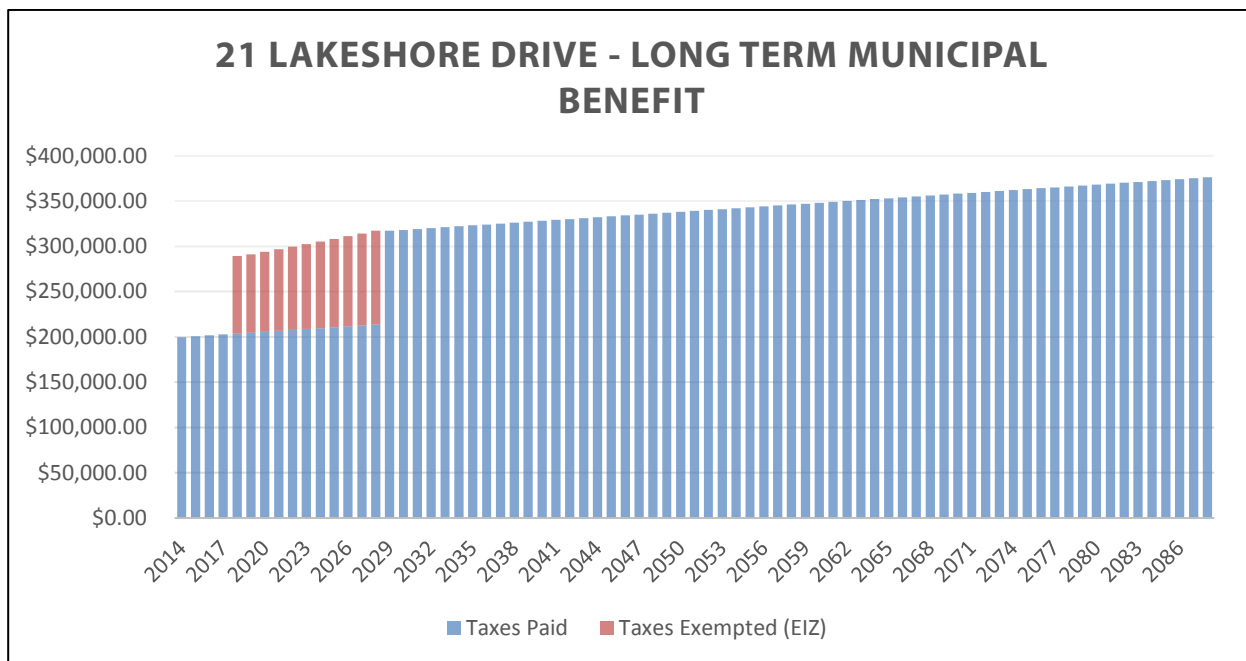
According to all three bylaws, to receive the tax benefits, the property owners must enter into a revitalization tax exemption agreement with the City and have a tax certificate submitted to BC Assessment. Copies of those agreements and tax certificates are attached for Council’s reference (Attachment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

Financial implication

The table provided in Attachment A outlines a description of each project and the approximate expected tax exemption benefit for the eligible tax years. The table also shows the taxes that were paid for the property the year previous to the exemption applying.

The development subject to this year’s EIZ program, will increase the City’s tax base by approximately \$125k per year once all tax breaks are complete. Over an estimated 70 year lifespan of these new additions, an additional revenue of over \$8.7M will be received by the City.

To graphically show an example of this, the example of the Lakeside Resort is show below on the municipal taxes received on their entire property, including both the existing development and new. Compared to the estimated \$855,620.00 in tax relief received through the EIZ program, over the 70 year life of the new expansion, when added to the existing hotel, the municipal taxes received over the estimated lifespan will exceed \$23M.



Analysis

Approve

These ten properties are eligible to receive a tax exemption benefit under Bylaw 2014-04, 2014-44 and 2015-52. As such, staff recommend approval of the attached Agreements and that Council direct the Mayor and Corporate Officer to execute the documents on behalf of Council.

Alternate recommendations

N/A

Attachments



Attachment A – Table 1

Attachment B – 2017 EIZ Agreements (beginning in the 2018 tax year)

Respectfully submitted,

Blake Laven, RPP, MCIP
Planning Manager

Approvals

Director 	CAO PW	CFO 
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Attachment A

Table 1

Project Address and description	Construction Value	Tax collected year previous to development (General Municipal Only)	Estimated tax from each property after development (General Municipal Only)	Estimated yearly tax exemption benefit	Years eligible for incentive	Estimated total tax exemption benefit (5, 7 or ten year depending on eligibility)
553 Veas Drive Casino and wine information centre	\$18,000,000	\$0	\$24,643.80	\$24,643.80	10 years	\$246,438.00
21 Lakeshore Drive New six storey hotel building	\$12,000,000	\$199,628.47	\$281,768.47	\$82,140 (improvement) \$3,422 (land)	10 years	\$855,620.00
340 Ellis Street New office building for Immigrant Society	\$600,000	\$2,019.43	\$6,126.28	\$4,106.84	5 years	\$20,534.22
409 Ellis Street Addition to a law office	\$120,000	\$2,238.48	\$3,059.71	\$821.23	5 years	\$4,106.15
225 Main Street Façade upgrade (Castanet)	\$10,000	\$6,311.55	\$6,311.55	\$3,833.2	3 years	\$10,000.00
232 Main Street Facade upgrade (Smart Shoppers)	\$40,000	\$6,503.23	\$6,503.23	\$3,176.08	4 years	\$10,000.00
325 Van Horne Street 8-unit apartment building	\$1,200,000	\$1,512.00	\$6,710.73	\$5,198.73	7 years	\$36,391.12
331 Van Horne Street 8-unit apartment building	\$748,800	\$2,153.25	\$5,397.18	\$3,243.92	7 years	\$22,707.50
2060 Government Street Industrial building expansion (Mavco Electric)	\$275,000	\$6,174.64	\$8,056.56	\$1,881.92	5 years	\$9,409.62
232 Rosetown Avenue New industrial steel building	\$375,000	\$3,456.98	\$6,031.52	\$2,574.54	5 years	\$12,872.70
Total	\$33,368,800.00	\$229,998.03	\$354,609.03	\$135,042.26		\$1,228,079.00

Attachment B
Revitalization Tax Exemption Agreements

Major Projects (Bylaw 2015-52)

553 Veas Drive: [EIZ Agreement and Certificate \(553 Veas Drive\)](#)

Downtown (Bylaw 2014-04)

21 Lakeshore Drive: [EIZ Agreement and Certificate \(21 Lakeshore Drive\).docx](#)

340 Ellis Street: [EIZ Agreement and Certificate \(340 Ellis Street\)](#)

409 Ellis Street: [EIZ Agreement and Certificate \(409 Ellis Street\)](#)

225 Main Street: [EIZ Agreement and Certificate \(225 Main Street\)](#)

234 Main Street: [EIZ Agreement and Certificate \(234 Main Street\)](#)

331 Van Horne Street: [EIZ Agreement and Certificate \(331 Van Horne Street\)](#)

325 Van Horne Street: [EIZ Agreement and Certificate \(325 Van Horne Street\)](#)

Industrial (Bylaw 2014-44)

2060 Government Street: [EIZ Agreement and Certificate \(2060 Government Street\)](#)

232 Rosetown Avenue: [EIZ Agreement and Certificate \(232 Rosetown Avenue\)](#)

REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT is dated for reference the ____th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC V2A 5A9

(the "City")

AND:

GATEWAY CASINOS & ENTERTAINMENT

ATTN: TOLEK STRUKOFF

4431 Dominion Street
Burnaby BC V5G 1C7

(the "Owner")

WHEREAS:

- A. The Owner is the registered lessee of land in the City at **533 Vees Drive** and legally described as:

PID: 023-678-356

LOT 1, PLAN KAP58604, DISTRICT LOT 2, GROUP 7, SIMILKAMEEN DIV OF YALE LAND DISTRICT, EXCEPT PLAN KAP87244, & EXC PL KAP87245. ARENA, COMMUNITY CENTRE, CONVENTION CENTRE & SOEC

(the "Land");

- B. Council of the City has, by adoption of City of Penticton Economic Investment Zone Bylaw No. 2015-52 (the "Bylaw"), established a Revitalization Tax Exemption Program for the purpose of stimulating and encouraging the construction of new buildings and major renovations of existing building and other projects that stimulate economic wellbeing in Penticton and to encourage revitalization of underutilized areas of the city;
- 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 15 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") including the tax years of 2018-2027. 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 Land, including land and improvements

and

the assessed value of Land and improvements in 2015, 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 ____th day of October, 2017

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

DATED the ____th day of October, 2017

GATEWAY CASINOS & ENTERTAINMENT)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)
)

Schedule "A"

Description of Eligible Improvement

The eligible improvements consist of the construction of a casino and wine information centre, as shown in the building plans attached to "City of Penticton Building Permit No. BP007415" and "City of Penticton Building Permit No. BP007705".

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 _____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **GATEWAY CASINOS & ENTERTAINMENT** **ATTN: TOLEK STRUKOFF** (the "Owner"), the registered leesee(s) of that property within Penticton, B.C. legally described as:

PID: 023-678-356

LOT 1, PLAN KAP58604, DISTRICT LOT 2, GROUP 7, SIMILKAMEEN DIV OF YALE LAND DISTRICT, EXCEPT PLAN KAP87244, & EXC PL KAP87245. ARENA, COMMUNITY CENTRE, CONVENTION CENTRE & SOEC

(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 and land 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 Land, including land and improvements

and

the assessed value of Land and improvements in 2015, 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 10 years, for each of the taxation years 2018 to 2027 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 _____th day of October, 2017.

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 ____th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC V2A 5A9

(the "City")

AND:

PENTICTON LAKEFRONT RESORT CORPORATION, INC.NO. 435323

21 LAKESHORE DR.
PENTICTON, BC V2A 7M5

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at **21 Lakeshore Drive** and legally described as:

PID: 024-441-619

LOT A DISTRICT LOTS 202 AND 211S SIMILKAMEEN DIVISION YALE DISTRICT
PLAN KAP63701

(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") on Land and ten (10) years on Improvements. 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 Land, including improvements and that portion of the land that the new building sits upon, representing 5% of the land area

and

the assessed value of Land and improvements in 2015, 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)

6. 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

7. 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

8. 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.
9. 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

10. 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

11. 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

12. 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.
13. 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).
14. 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.
15. Notices to the City must be addressed to the attention of the "Corporate Officer".

Powers Preserved

16. 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

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

Time

18. Time is of the essence of this Agreement.

Remedies not Exclusive

19. 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

20. 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

21. 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

22. 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

23. 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

24. 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

25. 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

26. 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

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

Joint and Several Liability

28. 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

29. 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 ____th day of October, 2017

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

DATED the ____th day of October, 2017

PENTICTON LAKEFRONT RESORT)
CORPORATION, INC.NO. 435323)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)

Schedule "A"

Description of Eligible Improvement

The eligible improvements consist of the construction of an 6 storey hotel building, with 70 suites and ground floor commercial space, as shown in the building plans attached to "City of Penticton Building Permit No. BP007568" and "City of Penticton Building Permit No.BP007744".

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 _____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **PENTICTON LAKEFRONT RESORT CORPORATION, INC.NO. 435323** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 024-441-619

LOT A DISTRICT LOTS 202 AND 211S SIMILKAMEEN DIVISION YALE DISTRICT PLAN KAP63701

(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 and land 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 Land, including improvements and that portion of the land that the new building sits upon, representing 5% of the land area

and

the assessed value of Land and improvements in 2015, 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 2015, being the year in which the City issued a building permit in respect of the Improvement.

The term of the Tax Exemption is 10 years, for each of the taxation years 2018 to 2027 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 _____th day of October, 2017.

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 ___th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC
V2A 5A9

(the "City")

AND:

PENTICTON & DISTRICT MULTICULTURAL SOCIETY, INC.NO.

S-0012810
509 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 2060 Government Street and legally described as:

PID: 003-304-736

Lot 8, District Lot 202, Similkameen Division Yale District, Plan 32873

(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 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 2016, 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 _____, 2017

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

DATED the ____ day of _____, 2017

Penticton and District Multicultural Society)
Inc. No S-0012810)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
)
)
)
 _____)
 Authorized Signatory:)

Schedule "A"

Description of Eligible Improvement

Eligible improvements include a new commercial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP008342"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Penticton and District Multicultural Society**. (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 003-304-736

Lot 8, District Lot 202, Similkameen Division Yale District, Plan 32873

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 2016, 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 2016 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 2018 to 2022 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 ___th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC
V2A 5A9

(the "City")

AND:

THOMAS ANTHONY KAMPMAN, BARRISTER & SOLICITOR

537 TRURO ST.
PENTICTON, BC
V2A 6N1

WILLIAM WALTER OLIVER, BARRISTER & SOLICITOR

RR #1, SITE 5, COMP 8
KALEDEN, BC
V0H 1K0

(the "Owner(s)")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 409 Ellis Street and legally described as:

PID: 012-459-917

Lot 30, Block 15, 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 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 2016, 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 _____, 2017

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

DATED the ____ day of _____, 2017

Thomas Anthony Kampman and William)
Walter Oliver)
 by its authorized signatory(ies):)
)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)

Authorized Signatory:

Authorized Signatory:

Schedule "A"

Description of Eligible Improvement

Eligible improvements include additions to an existing commercial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP007466"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Thomas Anthony Kampman and William Walter Oliver** (the "Owners"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 012-459-917

Lot 30, Block 15, District Lot 202, Similkameen Division Yale District, Plan 269

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 2016, 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 2016 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 2018 to 2022 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 _____, 2017

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 ___th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC V2A 5A9

(the "City")

AND:

T & N CONSTRUCTION LTD., INC.NO. 130402

687 MAIN STREET
PENTICTON, BC V2A 5C9

(the "Owner(s)")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 225 Main Street and legally described as:

PID: 025-484-729

PARCEL B (KT101416) BLOCK 7 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 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 as long as the exemption credit lasts (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* to a maximum of \$10,000.

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 _____, 2017

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

DATED the ____ day of _____, 2017

T & N CONSTRUTION LTD. INC. NO.130402)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)
)

Authorized Signatory:

Authorized Signatory:

Schedule "A"

Description of Eligible Improvement

Eligible improvements include additions to an existing commercial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP007764"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **T & N CONSTRUCTION LTD. INC. NO.130402** (the "Owners"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 025-484-729

Parcel B (KT101416), Block 7, 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* up to a maximum of \$10,000.

The term of the Tax Exemption is as long until the \$10,000 tax credit is used (approximately 3 years).

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 _____, 2017

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 ___th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC V2A 5A9

(the "City")

AND:

VICTOR PROJECTS LTD., INC.NO. BC1050457

102 - 266 LAWRENCE AVENUE
KELOWNA, BC V1Y 6L3

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 234 Main Street and legally described as:

PID: 003-373-673, 003-373-622, 003-373-649, 003-373-657

THAT PART OF LOT 5 BLOCK 6 SHOWN RED ON PLAN B1706 DISTRICT LOT 202 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 269; and,

LOTS 6-8 BLOCK 6 DISTRICT LOT 4 GROUP 7 SIMILKAMEEN DIVISION YALE (FORMERLY YALE-LYTTON) 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 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 as long as the exemption credit lasts (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* to a maximum of \$10,000.

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 _____, 2017

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

DATED the ____ day of _____, 2017

VICTOR PROJECTS LTD., INC.NO. BC1050457)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
)
 _____)
 Authorized Signatory:)
)
)

Authorized Signatory:

Authorized Signatory:

Schedule "A"

Description of Eligible Improvement

Eligible improvements include additions to an existing commercial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP007854"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **VICTOR PROJECTS LTD., INC.NO. BC1050457** (the "Owners"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PIDs: 003-373-673, 003-373-622, 003-373-649, 003-373-657

THAT PART OF LOT 5 BLOCK 6 SHOWN RED ON PLAN B1706 DISTRICT LOT 202
SIMILKAMEEN DIVISION YALE DISTRICT PLAN 269; and,

LOTS 6-8 BLOCK 6 DISTRICT LOT 4 GROUP 7 SIMILKAMEEN DIVISION YALE
(FORMERLY YALE-LYTTON) 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* up to a maximum of \$10,000.

The term of the Tax Exemption is as long until the \$10,000 tax credit is used (approximately 3 years).

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 _____, 2017

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 ____th day of October, 2017

BETWEEN:

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

(the "City")

AND:

PERCEPTION VENTURES INC., INC.NO. BC1005052
145 ASPENWOOD DRIVE
PORT MOODY, BC

V3H 4V7 (the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at **331 Van Horne Street** and legally described as:
- PID: 002-834-821
- Lot 21, District Lot 202, Similkameen Division Yale District, Plan 32873
- (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 seven (7) years (the "Term") on Land. 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 following:

BENEFIT ON ASSESSED "IMPROVEMENT" VALUE (2018 – 2024 tax years)

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 2016, 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 ____th day of October, 2017

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

DATED the ____th day of October, 2016

Perception Ventures Inc. No. BC1005052)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)
)

Schedule "A"

Description of Eligible Improvement

The eligible improvements consist of the construction of an 8 unit apartment building, as shown in the building plans attached to

"City of Penticton Building Permit No. BP007606".

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 _____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Perception Ventures Inc. No. BC1005052** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 002-834-821

Lot 21, District Lot 202, Similkameen Division Yale District, Plan KAP 32873

(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:

- (a) BENEFIT ON ASSESSED "IMPROVEMENT" VALUE (2018 – 2024 tax years)

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.

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 7 years, for each of the taxation years 2018 to 2024 inclusive.

This Certificate is issued on the following conditions:

- (b) **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;
- (c) **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;
- (d) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (e) **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 _____th day of October, 2017.

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 ____th day of October, 2017

BETWEEN:

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

(the "City")

AND:

PERCEPTION VENTURES INC., INC.NO. BC1005052
145 ASPENWOOD DRIVE
PORT MOODY, BC

V3H 4V7 (the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at **331 Van Horne Street** and legally described as:
- PID: 0029-654-386
- Lot 1, District Lot 202, Similkameen Division Yale District, Plan EPP54379
- (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 seven (7) years (the "Term") on Land. 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 following:

BENEFIT ON ASSESSED "IMPROVEMENT" VALUE (2018 – 2024 tax years)

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 2016, 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 ____th day of October, 2017

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

DATED the ____th day of October, 2017

Perception Ventures Inc. No. BC1005052)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
 _____)
 Authorized Signatory:)
)

Schedule "A"

Description of Eligible Improvement

The eligible improvements consist of the construction of an 8 unit apartment building, as shown in the building plans attached to

"City of Penticton Building Permit No. BP007619".

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 _____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Perception Ventures Inc. No. BC1005052** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 0029-654-386

Lot 1, District Lot 202, Similkameen Division Yale District, Plan EPP54379

(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:

- (a) BENEFIT ON ASSESSED "IMPROVEMENT" VALUE (2018 – 2024 tax years)

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.

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 7 years, for each of the taxation years 2018 to 2024 inclusive.

This Certificate is issued on the following conditions:

- (b) **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;
- (c) **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;
- (d) **No Breach of Agreement** - The Owner must not be in breach of this Agreement;
- (e) **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 _____th day of October, 2017.

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:

MAVCO HOLDINGS LTD., INC.NO. BC0928534

2060 GOVERNMENT STREET
PENTICTON, BC
V2A 4W3

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 2060 Government Street and legally described as:

PID: 028-891-988

Lot A, District Lot 3429S, Similkameen Division Yale District, Plan EPP21385

(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 2015, 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 _____, 2017

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

DATED the ____ day of _____, 2017

Mavco Holdings Ltd.
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
)
)
)
 _____)
 Authorized Signatory:)
)

Schedule "A"

Description of Eligible Improvement

Eligible improvements include additions to an existing industrial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP007388"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **Mavco Holdings Ltd.** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 028-891-988

Lot A, District Lot 3429S, Similkameen Division Yale District, Plan EPP21385
(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 2015, 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 2015 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 2018 to 2022 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 ___th day of October, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON

171 Main Street
Penticton, BC
V2A 5A9

(the "City")

AND:

BARRIO HOLDINGS LTD., INC.NO. 352598

232 ROSETOWN AVENUE
PENTICTON, BC
V2A 3J4

(the "Owner")

WHEREAS:

- A. The Owner is the registered owner in fee simple of land in the City at 2060 Government Street and legally described as:

PID: 012-640-310

Lot A, District Lot 1997S, Similkameen Division Yale District, Plan KAP40550

(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 2016, 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 _____, 2017

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

DATED the ____ day of _____, 2017

BARRIO HOLDINGS LTD., INC.NO. 352598)
 by its authorized signatory(ies):)
)
)
 _____)
 Authorized Signatory:)
)
)
)
)
)
)
 _____)
 Authorized Signatory:)
)

Schedule "A"

Description of Eligible Improvement

Eligible improvements include additions to an existing industrial building as shown on the plans attached to and forming part of "City of Penticton Building Permit No. BP007627"

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 ____th day of October, 2017 (the "Agreement") entered into between The Corporation of the City of Penticton (the "City") and **BARRIO HOLDINGS LTD., INC.NO. 352598** (the "Owner"), the registered owner(s) of that property within Penticton, B.C. legally described as:

PID: 012-640-310

Lot A, District Lot 1997S, Similkameen Division Yale District, Plan KAP40550

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 2016, 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 2016 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 2018 to 2022 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

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: David Kassian, Community Sustainability Coordinator

File No: RMS 6440-001

Subject: Climate Action Reporting for 2016

Staff Recommendation

THAT Council receive the report titled "Climate Action Reporting for 2016" for information.

Strategic priority objective

Meeting our Climate Action commitments is an integral part of creating a sustainable and livable community.

Background

Ten years ago, the Provincial Government created a legislated target to reduce the total greenhouse gas (GHG) emissions in the province by 33% from 2007 levels by 2020, and 80% by 2050. The province encouraged all municipalities to sign on to the Climate Action Charter. The City signed onto the Charter in 2007, along with 182 other member municipalities throughout the province of British Columbia.

After signing, the City commissioned the creation of two documents to assist in policy development and prioritization to meet the goals. The first document is the Corporate Climate Action Plan, which looks at what the City of Penticton, as a corporation can do to reduce our *corporate* climate 'footprint'. The document encourages reductions in energy usage, retrofits to make our buildings more efficient and suggestions about fleet changes among other things. Implementation of that plan began in 2010 and is ongoing. The other document is the Community Climate Action Plan. This document provides strategic guidance on how to reduce community energy use and greenhouse gas (GHG) emissions on a community wide basis. Work on implementation of the recommendations of that plan is also underway.

The following table shows the projects / initiatives envisioned by the two plans:

Community Plan		
Item	Details	Status
Build Energy Efficient Buildings	Encourage higher standards of sustainability and energy performance in the construction of new subdivisions, multi-family, institutional, commercial, and industrial, to reduce future increases in community energy consumption and GHG emissions.	Ongoing DCC Reduction Bylaw, adopted in 2010 provides for reductions in development cost charges for building that meet energy efficiency targets. Staff are in the process of evaluating this bylaw.
Improve Energy Efficiency of Existing Buildings	To encourage homeowners, landlords, commercial building owners and property managers to retrofit their buildings so that they perform at a higher standard, and result in reduced energy consumption and GHG emissions.	Ongoing Home Energy Loan Program (HELP) and Fortis BC's Home Energy Rebate Offer (HERO) provide loans and incentives for energy efficiency upgrades made by City of Penticton residents that own and occupy their own homes.
Increase Use of Alternative Energy	Decrease barriers to installing alternative energy systems by providing opportunities to tie the cost of the system to the home or building.	Ongoing Net Metering Program provides an opportunity for customers to take responsibility for their own power production and simultaneously reduce their carbon footprint.
Build Energy Efficient Developments	Promote energy efficient development through land use decisions, such as encouraging compact development where appropriate and using vegetation to cool buildings and roadways.	Ongoing Promote infill development where existing services can be used.
Improve Alternative Transportation Amenities	Improve the overall transportation infrastructure and experience to encourage greater public transit ridership, cycling, walking, etc.	Ongoing Amendments to the zoning bylaw collect funds for the Alternative Transportation Infrastructure Fund to go towards adding infrastructure to promote alternatives to single occupant vehicles, such as the water bottle filling station along the KVR.
Promote More Efficient Vehicle Use	Work with residents to reduce their GHG emissions, find alternatives, and embrace behavioral shifts away from energy and carbon intensive transportation.	Ongoing Electric vehicle charging station and reduction of parking spaces.
Reduce and Divert Waste from Landfills	To minimize waste and divert it from landfills to reduce the direct emissions coming from the breakdown of the waste, and reduce the emissions resulting from the transportation of waste.	Ongoing Implementation of the automated cart program has standardized waste limits. Ongoing education with residents on proper disposal practices for all waste streams (garbage, recycle, and yard waste).

<p>Maximize Value from Agricultural Wastes</p>	<p>Identify opportunities for reducing GHG emissions from agricultural practices, and encouraging the agricultural industry to pursue those opportunities.</p>	<p>Ongoing Engagement with the Agricultural Council Advisory Committee is planned for Fall 2017.</p>
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<p align="center">Corporate Plan</p>		
<p>Item</p>	<p>Details</p>	<p>Status</p>
<p>Implement Energy Efficiency Measures from Building Opportunity Assessments</p>	<p>Implement recommended energy efficiency measures for City-owned buildings, such as: lighting retrofits, programmable thermostats, weather stripping/air sealing, heat recovery at ice facilities.</p>	<p>Ongoing Implemented various lighting retrofits, DDC upgrades and weather stripping/air sealing in our owned facilities. We continually look for opportunities to implement cost-effective energy efficiency measures. 2013 facilities master plan identified a number of energy efficiency measures, many of which have been completed under operational budget. The larger items will be budgeted in the 10 year facilities capital plan.</p>
<p>Develop a Building Energy Management Program</p>	<p>Implement measures to monitor and analyze building performance, and provide a framework to identify and evaluate opportunities to most effectively reduce energy consumption.</p>	<p>Ongoing No formal program is in place, but utility costs are reviewed against previous years to investigate potential savings such as using occupancy sensors, DDC controls for HVAC systems, shut down of ice plants during spring season, etc.</p>
<p>Require an Evaluation of Energy Efficiency Opportunities for all Major Capital Projects</p>	<p>Ensure that all major capital projects, including buildings and infrastructure, meet recognized energy performance standards to improve energy efficiency and reduce GHG emissions.</p>	<p>Ongoing Innovation and materials that are cost effective, sustainable, and could lower GHG emissions are always given consideration for all major capital projects.</p>
<p>Require an Evaluation of Alternative Energy Sources for all Major Capital Projects</p>	<p>Utilize new construction, the replacement of equipment at the end of its service life, and major renovations as key opportunities to incorporate alternative energy systems at the lowest possible cost.</p>	<p>Ongoing Alternative energy sources are given consideration but often times not feasible for major capital works projects.</p>
<p>Complete Certification Within the E3 Fleet Program</p>	<p>Become certified under the E3 Green Fleet Rating Program by implementing progressive fleet management activities such as idling reduction, trip and route planning, fuel efficient vehicle purchasing, and routine maintenance.</p>	<p>Cancelled In 2012, the E3 Fleet Program was transferred from the Fraser Basin Council to Richmond Sustainability Initiatives. The City did not pursue certification after the program was transferred to a different party.</p>

<p>Monitor Energy Use in Infrastructure Systems</p>	<p>Consistently monitor energy use to provide data that can be used to inform budgeting and business case development for capital upgrades and energy efficiency activities.</p>	<p>Ongoing Through the CARIP reporting program, infrastructure energy use is monitored. Once the data is compiled it can be investigated to determine where increased energy efficiency is most needed and can be implemented.</p>
<p>Conduct a Review of Utility Rate Structures</p>	<p>Conduct a review of utility rates structures in an effort to determine appropriate structures for promoting energy and water conservation in Penticton. Rate structures play an essential role in communicating the true value of energy and water to customers.</p>	<p>Ongoing Rate review completed in 2016. Structures for promoting energy and water conservation exist through educational tools on the City website, and through programs such as the Home Energy Loan Program and Net Metering. Water restrictions during low precipitation months is ongoing promotes both water conservation and drought tolerant landscaping.</p>
<p>Develop an Energy Efficient Purchasing Policy</p>	<p>Adopt an energy efficient purchasing policy which enables the City to consistently consider energy use and GHG emission criteria in addition to financial and quality criteria when making a purchase.</p>	<p>Ongoing The energy efficient purchasing policy that was developed mandates that consideration is given to energy efficient and cost effective GHG reducing products or materials. I.e. biodiesel for the city fleet and paper with recycled content.</p>
<p>Encourage Energy Efficiency Efforts by Staff</p>	<p>Develop a staff outreach program that fosters a culture of energy conservation that can focus on a number of strategies to encourage energy efficient behaviors such as reducing paper use, installing workstation controls that shut down systems after a certain amount of time, and procuring sustainable or energy efficient products.</p>	<p>Ongoing Recycle collection recently changed at City Hall from cardboard only to comingled recycling. Facilities will be purchasing recycling receptacles for City Hall in order to promote waste reduction and recycling participation.</p>
<p>Create a Fund to Support Energy Efficiency Projects</p>	<p>Create a fund that collects the savings from energy efficiency projects to provide a dedicated funding source for future energy management initiatives, possibly including the CARIP rebate.</p>	<p>Not established yet</p>
<p>Identify a Staff Member as the Owner of the Plan</p>	<p>Identify a specific program owner responsible for coordinating the initiatives recommended in the Corporate Climate Action Plan. These responsibilities may be tied into the mandate of the Energy Manager.</p>	<p>Ongoing Historically has been dealt with by Planning Department, but have recently hired a Community Sustainability Coordinator to take ownership of the CARIP program and to identify methods of reducing GHG</p>

		emissions, including implementation of recycling program.
Explore Options for Hiring an Energy Manager	Consider establishing a staff position that works to identify, coordinate, and/or implement opportunities for energy conservation and emissions reduction.	Cancelled There is currently no plan in Facilities budget to hire an energy manager.

Climate Action Revenue Incentive Program (CARIP)

When the province created the Climate Action Charter, they also created a funding source that signatory municipalities could draw from to assist in meeting the charter obligations. That program, called the Climate Action Revenue Incentive Program (CARIP), provides rebates for all carbon taxes paid on fuels purchased by the municipality, by way of a yearly grant. As part of the program the City is required to monitor our corporate climate usage and report yearly to the province on those emissions and what steps are being taken to reduce our climate impact as a corporation and as a community.

The purpose of this report is to satisfy that obligation for the 2016 year.

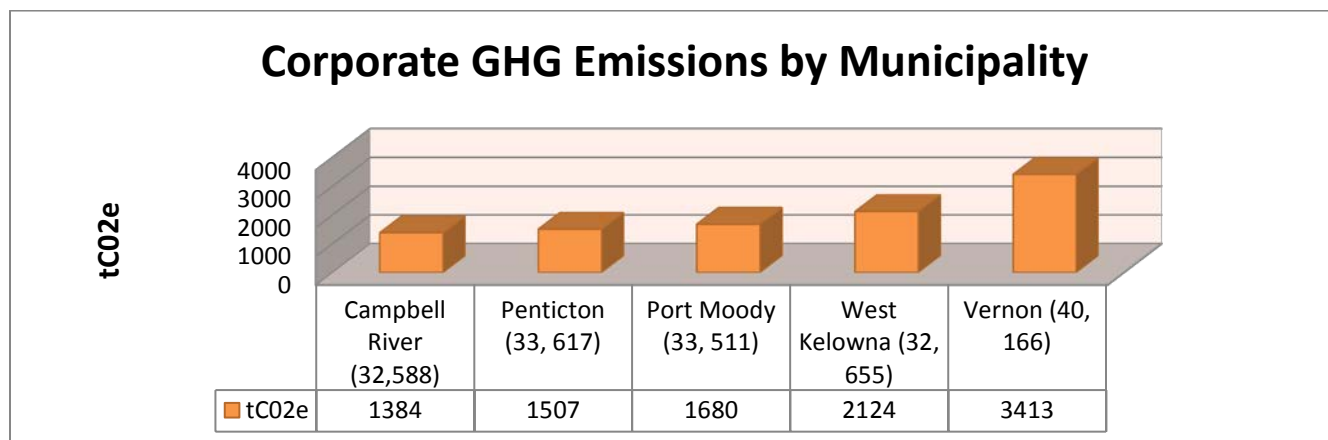
2016 greenhouse gas (GHG) emissions

Under our provincial commitments the City is required to track CO₂ and CO₂ equivalent emissions (tCO₂e). The tracking is done by reviewing paper usage, gasoline and diesel consumed by the City fleet and energy use (both electricity and natural gas) by City owned and operated buildings.

The total GHG emissions for the Corporation of the City of Penticton in 2016 was **1,507 tCO₂e**.

This is the first year that we have had a dedicated Community Sustainability Coordinator to completely audit our reporting. It is difficult to compare the emissions from 2016 to previous years, as there are significant gaps in the data. For the years of 2014 and 2015, there was no one on staff to complete the GHG inventory. For years prior to 2014, the reporting was not comprehensive, as there was missing data that makes it difficult for comparison.

In comparison to similar municipalities with similar population sizes, Penticton’s emissions are slightly lower than average.



Sustainability initiatives

Under the CARIP program the City is also obligated to report sustainability initiatives that will lead to meeting the Climate Action Charter commitments. The following data was collected from various City departments and represents a high level overview of strategies and projects. In 2016 the City took the following initiatives which helped to offset the City's corporate impact:

- Replacement of old light fixtures with LED technology at multiple sites.
- Utilize Integrated Pest Management in City greenspaces in an effort to minimize the use of pesticides.
- Promotion of Bike to Work week and carpool month.
- Created a shared pool of vehicles for use by all departments to reduce the need for additional fleet vehicles.
- Installation of dissolved oxygen probes to better control aeration at the waste water treatment plant.

In 2017 we plan on the following initiatives.

- Official Community Plan (OCP) review (spoken to in detail below)
- Install new energy efficient cooling units at Leir House and City Hall, and three new energy efficient Rooftop Units at Penticton Trade and Convention Centre.
- Investigating options on reducing electrical energy charges from FortisBC, including initiatives such as: solar powered covered parking lots/roofs (potentially in the form of community/urban solar gardens); battery storage, and demand management.
- Phase 1 of the Urban Forest Strategy: Ongoing information gathering, including gathering GPS data on over 2200 trees.
- Installation of rain gardens along the 100 block of Main Street to reduce the load on the storm water system, while also filtering contaminants from the water.
- Investigate feasibility of opting in to a recycled coolant program for fleet vehicles.
- Installation of new pumping technology on the Dissolved Air Flotation process, increasing energy savings and decreasing chemical (Polymer) use.

Official Community Plan (OCP) review

In 2016 the Planning Department began a comprehensive review of the City's OCP. A key segment of the City's mission statement is to "champion an innovative, thriving, sustainable community through visionary leadership", and these values will be reflected in the OCP. To plan for an innovative and sustainable Penticton, principles and plans from the CARIP program will need to be integrated into the OCP. It is important that we not only meet our obligation of becoming carbon neutral, but that we surpass the goals set through long term planning. Although the Sustainable Community Committee has been parked, it is still involved peripherally, and committee members will still be called upon to provide expertise and guidance throughout the writing of the OCP.

Financial implication

By participating in the CARIP program the City receives approximately \$43,000 a year from the provincial government. These funds are intended to assist in getting to climate neutrality. For 2016, the City was

carbon neutral due to the avoided forest conversion at Three Blind Mice, a popular mountain biking and hiking destination. Every year the amount of reductions from Three Blind Mice diminishes, and for 2017 and onwards the City will have to investigate methods to reduce GHG emissions, or to purchase carbon offsets. The reductions from the Three Blind Mice Avoided Forest Conversion diminishes rapidly because it reflects the way a typical baseline development scenario would occur (i.e. the trees are cut down immediately in the first step of the development process).

To help identify methods to reduce GHG emissions, there are multiple guides supplied by the provincial government such as the Community Energy and Emissions Plan, and the Partners for Climate Protection Program. These guides help municipalities to better understand and track their sources of emissions, and to reduce these emissions where possible.

The Community Sustainability Coordinator will be bringing forward options for Council’s approval for various projects as part of the 2018 budget process, drawing from the CARIP funds, which will assist in carbon reduction initiative.

If reducing GHG emissions is not feasible or cost effective, carbon offsets can be purchased. A carbon offset is a credit for greenhouse gas reductions achieved by one party that can be purchased and used to compensate the emissions of another party. Carbon offset credits are also measured in tons of CO₂ equivalents, and range in price from \$6-\$25 per ton of sequestered carbon. If they City were to purchase carbon offset credits for the purpose of GHG neutrality, it could range in cost from \$9,042-\$37,675. Not all carbon credits are created equally, and if they are to be purchased, an investigation as to how the credits are produced is critical.

The Carbon Neutral Guidebook for Local Governments provides five other options to lower GHG emissions that are community based projects. This Carbon Neutral Framework provides detailed instructions for each option (see table below), and have been designed to increase sustainability and lower GHG emissions.

Project	Profile	Details
Energy Efficient Building Retrofits and Fuel Switching	This project involves retrofitting non-government owned buildings in the community or local government owned/operated buildings that are outside the boundaries of “traditional local government services” (such as social housing).	Retrofit options include: increasing efficiency of building shells (insulation, windows), increase efficiency of building equipment (furnaces, A/C, hot water heaters), fuel switching from high carbon energy source (switch from oil to electricity).
Solar Thermal (Hot Water) Retrofits	Install solar thermal (hot water) systems to pre-heat water supply. It covers installations on social housing buildings and buildings not owned by the local government.	This profile includes projects where the installed solar hot water system partially or completely replaces the use of natural gas or fuel oil for hot water heating. The calculation does not cover solar electricity generation or the use of solar thermal energy for space heating.
Household Organic Waste Composting	This project profile provides guidance on estimating the amount of GHG emissions that can be	When organic waste is placed in a landfill it decomposes gradually over decades and creates a significant

	reduced by diverting household organic waste into a centralized community composting system rather than sending it to a landfill.	amount of methane due to the absence of oxygen. In contrast, when organic waste is composted it typically decomposes within one year and predominantly creates carbon dioxide because oxygen is made available. Although the exact number will vary by community, this project profile estimates that every tonne of organic waste that is diverted from a landfill into a centralized composting system will result in roughly a tonne of GHG emission reductions.
Low Emission Vehicles	This project provides guidance on estimating the emission reductions potential associated with replacing conventional vehicles with low emission vehicles, such as those used by public transit, police departments and airports.	Hybrid-electric, full electric and high efficiency internal combustion engines all represent a clear opportunity for fuel savings and emission reductions over conventional vehicle counterparts.
Avoided Forest Conversion (such as the Three Blind Mice AFCP)	This project provides guidance on estimating the emission reductions potential associated with preventing the conversion of existing forested lands to a non-forest land use (e.g. residential development, golf course, etc.).	Although land development may have positive economic and social benefits for communities, it can also lead to an increase in greenhouse gas emissions (GHG) due to the loss of trees, the burning or composting of wood, and the decay of the carbon in the forest floor. Developing an AFCP requires local governments to demonstrate that they are conserving eligible forested lands that would otherwise be available for development.

Analysis

While it is imperative that Penticton meet the provincially legislated requirements of GHG reductions, it too is important that we look to the future and concentrate on creating a sustainable community. By definition, a sustainable community uses its resources to meet current needs, while ensuring that adequate resources are available for future generations. The focus is on providing a better quality of life for residents by minimizing waste, preventing pollution, promoting efficiency and developing local resources to revitalize the local economy. Sustainable communities must be flexible and constantly adapting to changing environmental conditions, as well as changing demands from its residents.

Many of the initiatives undertaken in 2016 and planned for 2017 are sustainable and proactive steps towards becoming a truly sustainable community. Continued dedication to reducing vehicle emissions, energy consumption, and water use, while increasing energy efficiency and investigating new technologies will allow us to achieve our goal of reducing GHG emissions and creating a vibrant, sustainable community.

Attachments

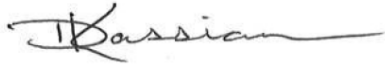
Attachment A: 2016 CARIP Report

Attachment B: 2016 GHG Inventory Report

Attachment C: Implementation Considerations for Corporate Climate Actions



Attachment D: Comparison Table of Three Options to Balance/Offset Corporate Carbon Liability

Respectfully submitted,



David Kassian

Community Sustainability Coordinator

Director 	CFO 	CAO PW
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Attachment A
2016 CARIP Report

Climate Action Revenue Incentive (CARIP) Public Report for 2016

Local Government: City of Penticton



Report Submitted by:
Name: David Kassian
Role: Community Sustainability Coordinator
Email: david.kassian@penticton.ca
Phone: (250) 490-2500

Date: May 31, 2017

The [insert Local Government here] has completed the 2016 Climate Action Revenue Incentive Program (CARIP) Public Report as required by the Province of BC. The CARIP report summarizes actions taken in 2016 and proposed for 2017 to reduce corporate and community-wide energy consumption and greenhouse gas emissions (GHG) and reports on progress towards achieving carbon neutrality.

2016 BROAD PLANNING ACTIONS

Broad Planning Actions

Broad Planning refers to high level planning that sets the stage for GHG emissions reductions, including plans such as Official Community Plans, Integrated Community Sustainability Plans, Climate Action Plans or Community Energy Emissions Plans. Land use planning that focuses on Smart Growth principles (compact, complete, connected, centred) plays an especially important role in energy and GHG reduction.

Community-Wide Actions Taken in 2016	
	Zoning Bylaw Update
	Penticton Creek Revitalization Master Plan
	Solid Waste, Recycling and Yard Waste Cart System Conversion
	Continuation of Urban Forest Strategy
	OCP review and scoping for 2017 revision
Community-Wide Actions Proposed for 2017	
	Official Community Plan review underway
	Next phase of Penticton Creek revitalization underway

Corporate Actions Taken in 2016	
	Asset Management Study
	Facilities Master Plan Phase II
	Investment in GIS system for electrical and water utilities
Corporate Actions Proposed for 2017	
	Hiring of a Community Sustainability Coordinator that focuses on solid waste reduction and climate action reporting.
	Asset management program continuing

Broad Planning	
What is (are) your current GHG reduction target(s)?	<i>5% overall community reduction in GHG emissions from 2007 levels by 2020 (This represents a 20% reduction per person). 10% overall community reduction in GHG emissions by 2030 (This represents a 35% reduction per person). Our Corporate reduction goals are to reduce GHG emissions by 20% by 2020.</i>

Has your local government used the Community Energy and Emissions Inventory (CEEI) to measure progress?	No
What plans, policies or guidelines govern the implementation of climate mitigation in your community?	
• Community Energy and Emissions (CEE) Plan	No
• Climate Action Plan	No
• Integrated Community Sustainability Plan	No
• Official Community Plan (OCP)	Yes
• Regional Growth Strategy (RGS)	No
• Do not have a plan	No
• Other: Community-Wide Action Plan, and Corporate Action Plan	Yes
Does your local government have a corporate GHG reduction plan?	Yes
Does your local government have a climate reserve fund or something similar?	Yes

2016 BUILDINGS AND LIGHTING ACTIONS

Building and Lighting Actions

Low-carbon buildings use the minimum amount of energy needed to provide comfort and safety for their inhabitants and tap into renewable energy sources for heating, cooling and power. These buildings can save money, especially when calculated over the long term. This category also includes reductions realized from energy efficient street lights and lights in parks or other public spaces.

Community-Wide Actions Taken in 2016	
	Continuation and strengthening of the DCC reduction program for sustainable building.
	Home Energy Loan Program
Community-Wide Actions Proposed for 2017	
	Home Energy Loan Program

Corporate Actions Taken in 2016	
	Replacement of old light fixtures with LED fixtures at curling rink.
	Replacement of old light fixtures with new LED technology at McLaren Arena.
	Installation of high efficiency packaged furnace (air handling unit) for the soccer bubble.
	Installed new infrared, tube heater system in the garage at the City Yards.
	Construction of a new dog shelter facility designed for high energy efficiency.

Corporate Actions Proposed for 2017	
	New energy efficient cooling unit at Leir House.
	New energy efficient cooling unit at City Hall.
	Installed three new energy efficient RTU's (Rooftop Units) at Penticton Trade and Convention Centre.
	Feasibility study for upgrade or replacement of Memorial arena, either option would promote improvements in energy efficiency.

2016 ENERGY GENERATION ACTIONS

Energy Generation Actions

A transition to renewable or low-emission energy sources for heating, cooling and power supports large, long-term GHG emissions reductions. Renewable energy including waste heat recovery (e.g. from biogas and biomass), geo-exchange, micro hydroelectric, solar thermal and solar photovoltaic, heat pumps, tidal, wave, and wind energy can be implemented at different scales, e.g. in individual homes, or integrated across neighbourhoods through district energy or co-generation systems.

Community-Wide Actions Taken in 2016	

Community-Wide Actions Proposed for 2017	
	Feasibility study for energy generation project at local level with pilot project planned for 2018

Corporate Actions Taken in 2016	
	Promoting net metering through our electrical utility to assist those who wish to have on site energy generation – ongoing.

Corporate Actions Proposed for 2017	

	Promoting net metering through our electrical utility to assist those who wish to have on site energy generation – ongoing.
	Investigating options on reducing electrical energy charges from FortisBC, including initiatives such as: solar powered covered parking lots/roofs (potentially in the form of community/urban solar gardens); battery storage, and demand management.

Energy Generation	
Is your local government developing, or constructing:	
<ul style="list-style-type: none"> • A district energy system • A renewable energy system 	No No
Is your local government operating:	
<ul style="list-style-type: none"> • A district energy system • A renewable energy system 	No No
Is your local government connected to a district energy system that is operated by another energy provider?	No
Are you aware of the Integrated Resource Recovery guidance page on the BC Climate Action Toolkit ?	Yes

2016 GREENSPACE/ NATURAL RESOURCE PROTECTION ACTIONS

Greenspace Actions

Greenspace/Natural Resource Protection refers to the creation of parks and greenways, boulevards, community forests, urban agriculture, riparian areas, gardens, recreation/school sites, and other green spaces, such as remediated brownfield/contaminated sites as well as the protection of wetlands, waterways and other naturally occurring features.

Community-Wide Actions Taken in 2016	
	Promoting trail use through upgrades at the KVR Trail parking lot: trail wayfinding maps; expanded gravel parking lot, picnic tables and planting trees and native vegetation.
	Planted a combined 51 trees and upgraded street tree planting specifications (larger planting pits, include irrigation) in the 100/200 block of Main Street as part of the Downtown Revitalization Project – ongoing through 2017.
	Participated in 7 th TD Tree Days at Riverside Park. It is a collaborative riparian restoration project involving City of Penticton, Okanagan Stewardship Society and TD Friends of the environment Foundation. Organized and facilitated by City Parks staff, phase 1 of the project included removing invasive plant species and planting 550 native shrubs with a focus on riparian area restoration at a volunteer planting event.

	Replaced 41 trees in 10 parks and boulevards as part of the Tree Planting Program.
	Planted 57 trees, landscaping and drought tolerant grass species as part of the Lakeview Cemetery Expansion.
	Purchased Tree Gator bags to increase water holding capacity for street tree watering program.
	Design and installation of rain gardens in Downtown revitalization project, gardens act as storm water collection and drainage interceptors before rain water reaches drainage pipes.
	Installed demonstration 'pollinator' garden to promote gardening and importance of bees
Community-Wide Actions Proposed for 2017	
	Conduct Ellis Creek landscaping project, which will remove non-native plant species and replace with native plants.
	Phase II of Penticton Creek Master Plan: Continue creek restoration from Ellis Street bridge to the bridge at Nanaimo Avenue.
	Ongoing - Acquire lands at strategic locations to improve opportunities at existing parks, to provide new recreation options in the community, and to improve connectivity between parks as part of the Parks and Recreation Master Plan.
	Engage in the planning and design of a Pump Track for downhill mountain biking skills development.

Corporate Actions Taken in 2016	
	Parks and Recreation Master Plan: A working document focused on public consultation that will guide the future of parks, recreation programs, green spaces, and natural areas.
	Support operational budgets for maintenance programs that benefit the environment: urban forest, tree watering, horticultural maintenance
	Utilize Integrated Pest Management (IPM) principles in all aspects of landscape management; in effort to minimize use of pesticides; monitoring, threshold tolerance, use of vinegars and soaps as control agents
	Replaced irrigation system and increased efficiency at Columbia Park.
Corporate Actions Proposed for 2017	
	Phase 1 of the Urban Forest Strategy: Ongoing information gathering, including gathering GPS data on over 2200 trees.
	Replacing irrigation systems at one park and one cemetery to increase overall efficiency.
	Encourage staff wellness by promoting discounted rates at the Adult Fitness Room and increasing rates for the Fitness Rebate Program.
	Support operational budgets for maintenance programs that benefit the environment: urban forest, tree watering, horticultural maintenance
	Utilize Integrated Pest Management (IPM) principles in all aspects of landscape management; in effort to minimize use of pesticides; monitoring, threshold tolerance, use of vinegars and soaps as control agents
	Installation of rain gardens along the 100 block of Main St. to reduce the load on the storm water system, while also filtering contaminants from the water.

Greenspace	
Does your local government have urban forest policies, plans or programs?	Yes

2016 SOLID WASTE ACTIONS

Solid Waste Actions

Reducing, reusing, recycling, recovering and managing the disposal of the residual solid waste minimizes environmental impacts and supports sustainable environmental management, greenhouse gas reductions, and improved air and water quality.

Community-Wide Actions Taken in 2016	
	Implementation of automated garbage, recycling, and yard waste Cart Program.
	Adopted new regulations for garbage and recycling collection.
	Encouraged increased recycling participation by limiting garbage volumes.
	Conducted curbside recycling and yard waste audits for single and multifamily residences to help identify common contaminants entering the solid waste stream.
	Conducted educational campaign focused on reducing recycling contamination and increasing recycling participation.
Community-Wide Actions Proposed for 2017	
	Increase number of recycling facilities in parks and recreation areas.
	Increase educational campaign through various media (social media and internet, radio, newsprint and audits) focused on reducing common recycling contaminants and increasing recycling participation.
	Continue to conduct curbside recycling and yard waste audits for single and multifamily residences to help identify common contaminants entering the solid waste stream.
	City staff to conduct presentations at public events focused on recycling education and compliance.
	Develop remediation plan to lower percentage of contaminants entering the recycle stream.

Corporate Actions Taken in 2016	
Corporate Actions Proposed for 2017	
	Hire Community Sustainability Coordinator to focus on solid waste and improving overall garbage, recycle and yard waste best practices.
	Develop Solid Waste Collection RFP that favours innovative technologies and low emission vehicles.

Solid Waste	
Does your local government have construction and demolition waste reduction policies, plans	No

or programs?	
Does your local government have organics reduction/diversion policies, plans or programs?	Yes

2016 TRANSPORTATION ACTIONS

Transportation Actions

Transportation actions that increase transportation system efficiency, emphasize the movement of people and goods, and give priority to more efficient modes, e.g. walking, cycling, ridesharing, and public transit, can contribute to reductions in greenhouse gas emissions and more livable communities.

Community -Wide Actions Taken in 2016	
	Widening of sidewalks and installation of bike racks on the 200 block of Main Street as part of the downtown revitalization project.
	Pay parking program extended along waterfront and further through the downtown.
	Investment in feasibility study of bike lane from Penticton to Summerland along Highway 97.
	Carpool program launched for City owned parking lots in the downtown.
	Investigation into bringing a car-share program to Penticton (Ogo Car Co-OP) – ongoing.
Community-Wide Actions Proposed for 2017	
	Investigation into bringing a car-share program to Penticton (Ogo Car Co-OP) – ongoing.

Corporate Actions Taken in 2016	
	Promotion of Bike to Work Week and Carpool Month – ongoing through 2017.
	Participate in GFL’s recycling program for automotive fluids - ongoing.
	Maximize the utilization of 4X4 trucks and other vehicles into a shared pool to allow for use by all departments reducing need for additional vehicles in the fleet.
	Educating staff on the benefits of good driving habits and promoting our anti-idling policy
Corporate Actions Proposed for 2017	
	Promotion of Bike to Work Week and Carpool Month.
	Replacing of 12 aging vehicles in fleet for new and more fuel efficient units.
	Investigate feasibility of opting in to a recycled coolant program.
	Route planning through GPS to maximize travel efficiency.
	Investigate the feasibility of single engine sweepers to maximize fuel efficiency.

Transportation	
Does your local government have policies, plans or programs to support:	
• Walking	Yes
• Cycling	Yes
	Yes

<ul style="list-style-type: none"> • Transit Use • Electric Vehicle Use • Other (please specify) 	Yes No
Does your local government have a transportation demand management (TDM) strategy (e.g. to reduce single-vehicle occupancy trips, increase travel options, provide incentives to encourage individuals to modify travel behavior)?	No
Does your local government have policies, plans or programs to support local food production (thus reducing transportation emissions)?	Yes

2016 WATER AND WASTEWATER ACTIONS

Managing and reducing water consumption and wastewater is an important aspect of developing a sustainable built environment that supports healthy communities, protects ecological integrity, and reduces greenhouse gas emissions.

Community-Wide Actions Taken in 2016	
	Irrigation system metering program implementation.
	Public education regarding water smart practices which will aim at increasing water use efficiency and lowering consumption rates.
	Implementation of the utility rate review to incentivize water conservation.
Community-Wide Actions Proposed for 2017	

Corporate Actions Taken in 2016	
	Utility rate review implementation.
	Installation of dissolved oxygen probes to better control aeration at the waste water treatment plant.
Corporate Actions Proposed for 2017	
	Installation of new pumping technology on the Dissolved Air Flotation process, increasing energy savings and decreasing chemical (Polymer) use.
	Increasing capacity for treated effluent re-use: this will allow for more sites to be irrigated by treated effluent.

Water Conservation	
Does your local government have water conservation policies, plans or programs?	Yes

2016 CLIMATE CHANGE ADAPTATION ACTIONS

Climate Change Adaptation Actions

For local governments, adaptation to a changing climate can take the form of changes in policy, management, technology and behaviour that minimize negative impacts or exploit opportunities. It can involve both "hard" and "soft" solutions, including: changes in infrastructure engineering, planning, zoning, bylaws, and public education.

Climate Change Adaptation Actions Taken in 2016	
	Hired a Community Sustainability Coordinator as a term employee.
	Conducted an Official Community Plan review.
	Reviewed "Community Climate Action Plan" implementation strategy.
	Continue on with Community Sustainability Advisory Committee work – ongoing.
Climate Change Adaptation Actions Proposed for 2017	
	Hiring of a full time Community Sustainability Coordinator in a permanent position.
	Continue to review and develop a new Official Community Plan
	Continue on with Community Sustainability Advisory Committee work – ongoing.

Resources you have used to support climate change adaptation (e.g. Plan2Adapt , Preparing for Climate Change: Implementation Guide)	

In 2016 did you consider climate change impacts in any of the following areas? (check if yes)	
Risk reduction strategies	
Risk and Vulnerability assessment	
Asset management	
Infrastructure upgrades (e.g. stormwater system upgrades)	

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Other	
Are you familiar with the Community Lifecycle Infrastructure Costing Tool (CLIC) ?	No
Have you used CLIC?	No

INNOVATION AND PEER-TO-PEER LEARNING

Innovation

This section provides the opportunity to showcase an innovative Corporate and/or Community-Wide GHG reduction or climate change adaptation activity that your local government has undertaken and that has had or has the potential to have a significant impact. Projects included here may be featured as success stories on the B.C. Climate Action Toolkit and/or shared with other local governments to inspire further climate action. Please add links to additional information where possible.

Community-Wide Innovative Action
N/A
Corporate Innovative Action
N/A

Programs, Partnerships and Funding Opportunities

Local governments often rely on programs, partnerships and funding opportunities to achieve their climate action goals. Please share the names of programs and organizations that have supported your local government’s climate actions by listing each entry in the box below.

Programs and Funding
N/A

2016 CARBON NEUTRAL REPORTING

Local governments are required to report on their progress in achieving their carbon neutral goal under the Climate Action Charter. Working with B.C. local governments, the joint Provincial-UBCM Green Communities Committee (GCC) has established a common approach to determining carbon neutrality for the purposes of the Climate Action Charter, including a Carbon Neutral Framework and supporting guidance for local governments on how to become carbon neutral.

Prior to completing this survey, please ensure that you are familiar with guidance available on the B.C. Climate Action Toolkit website, especially *Becoming Carbon Neutral: A Guide for Local Governments in British Columbia*.

Reporting Emissions

Did you measure your local government's corporate GHG emissions in 2016?	Yes
If your local government measured 2016 corporate GHG emissions, please report the number of corporate GHG emissions (in tonnes of carbon dioxide equivalent) from services delivered <u>directly</u> by your local government:	1,507
If your local government measured 2016 corporate GHG emissions, please report the number of corporate GHG emissions (in tonnes of carbon dioxide equivalent) from <u>contracted</u> services:	
TOTAL A: CORPORATE GHG EMISSIONS FOR 2016	1,507 tCO₂e

Reporting Reductions and Offsets

To be carbon neutral, a local government must balance their TOTAL corporate GHG emissions by one or a combination of the following actions:

- undertake GCC-supported Option 1 Projects
- undertake GCC-supported Option 2 Projects (community GHG emissions reduction projects that meet project eligibility requirements)
- purchase carbon offsets from a credible offset provider

If applicable, please report the 2016 GHG emissions reductions (in tonnes of carbon dioxide equivalent (tCO₂e)) being claimed from Option 1 GHG Reduction Projects:

OPTION 1 PROJECTS	REDUCTIONS
Energy Efficient Retrofits	
Solar Thermal	
Household Organic Waste Composting	

Low Emission Vehicles	
Avoided Forest Conversion	3,696
TOTAL B: REDUCTIONS FROM OPTION 1 PROJECTS FOR 2016	3,696 tCO2e

If applicable, please report the names and 2016 GHG emissions reductions (in tonnes of carbon dioxide equivalent (tCO2e)) being claimed from Option 2 GHG Reduction Projects:

OPTION 2 PROJECT NAME	REDUCTIONS
TOTAL C: REDUCTIONS FROM OPTION 2 PROJECTS FOR 2016	tCO2e

If applicable, please report the number of offsets purchased (in tonnes of carbon dioxide equivalent (tCO2e)) from an offset provider for the 2016 reporting year:

(NOTE: DO NOT INCLUDE ANY FUNDS THAT MAY BE SET ASIDE IN A CLIMATE ACTION RESERVE FUND)

OFFSET PROVIDER NAME	OFFSETS
TOTAL D: OFFSETS PURCHASED FOR 2016	tCO2e

TOTAL REDUCTIONS AND OFFSETS FOR 2016 (Total B+C+D) = 3,696 tCO2e

Corporate GHG Emissions Balance for 2016

Your local government's Corporate GHG Emissions Balance is the difference between total corporate GHG emissions (direct + contracted emissions) and the GHG emissions reduced through GCC Option 1 and Option 2 projects and/or the purchase of offsets.

CORPORATE GHG EMISSIONS BALANCE FOR 2016 = (A – (B+C+D)) = -2189 tCO₂e

If your Corporate GHG Emissions Balance is negative or zero,
your local government is carbon neutral.

CONGRATULATIONS!

GCC CLIMATE ACTION RECOGNITION PROGRAM

Green Communities Committee (GCC) Climate Action Recognition Program

The joint Provincial-UBCM Green Communities Committee (GCC) is pleased to be continuing the Climate Action Recognition Program again this year. This multi-level program provides the GCC with an opportunity to review and publicly recognize the progress and achievements of each Climate Action Charter (Charter) signatory.

This year a new recognition level has been added – **Level 3: Accelerating Progress on Charter Commitments**–. Recognition is provided on an annual basis to local governments who demonstrate progress on their Charter commitments, according to the following:

Level 1 – Demonstrating Progress on Charter Commitments: for local governments who demonstrate progress on fulfilling one or more of their Charter commitments

Level 2 – Measuring GHG Emissions: for local governments that achieve level 1, and who have measured their Corporate GHG Emissions for the reporting year and demonstrate that they are familiar with the Community Energy and Emissions Inventory (CEEI)

Level 3 – Accelerating Progress on Charter Commitments: for those local governments who have achieved level 1 and 2 and have demonstrated undertaking significant action (corporately or community wide) to reduce GHG emissions in the reporting year (ie: through undertaking a GHG reduction project, purchasing offsets, establishing a reserve fund).

Level 4 - Achievement of Carbon Neutrality: for local governments who achieve carbon neutrality in the reporting year.

For purposes of Level 3 recognition, if applicable, please identify any new or ongoing corporate or community wide GHG reduction projects (other than an Option 1 or Option 2 project) undertaken by your local government that reflects a significant investment of time or financial resources and is intended to result in significant GHG reductions:

PROJECT NAME:

Based on your local government's 2016 CARIP Climate Action/Carbon Neutral Progress Survey, please check the GCC Climate Action Recognition Program level that best applies:

<input type="checkbox"/>	Level 1 – Demonstrating Progress on Charter Commitments	
<input type="checkbox"/>	Level 2 – Measuring GHG Emissions	
<input type="checkbox"/>	Level 3 – Accelerating Progress on Charter Commitments	
<input type="checkbox"/>	Level 4 - Achievement of Carbon Neutrality	
<input type="checkbox"/>	Not Sure	

Attachment B
2016 SMARTTool GHG Inventory Report



SMARTTool Greenhouse Gas Inventory Report

Reporting Entity: City of Penticton
Reporting Year: Calendar Year 2016

Measure	Quantity	Greenhouse Gases in Tonnes				
		CO ₂	CH ₄	N ₂ O	tCO ₂ e ¹	
Scope 1 (Direct) Emissions						
Mobile Combustion (Fleet)	Litres	253,458.20	589.34	0.04	0.12	625.82
Stationary Combustion, Reported ³	GigaJoules	15,744.62	780.62	0.02	0.01	785.23
Total Scope 1 Emissions			1,369.96	0.06	0.13	1,411.05
Scope 2 (Indirect) Emissions						
Purchased Energy, Reported ³	GigaJoules	49,182.25	35.36	0.00	0.00	35.36
Total Scope 2 Emissions			35.36	0.00	0.00	35.36
Scope 3 Emissions						
Business Travel and Office Paper						
Office Paper	Packages	2,140.00	13.74	0.00	0.00	13.74
Contracted						
Purchased Energy, Reported ³	GigaJoules	17,042.27	12.25	0.00	0.00	12.25
Total Scope 3 Emissions			26.00	0.00	0.00	26.00
Emissions from Biomass						
Total Biomass Emissions			34.67	0.00	0.00	34.67
Total Emissions, Calendar Year 2016			1,465.99	0.06	0.13	1,507.08

1. Global Warming Potential (GWP) has been applied only to the tCO₂e values.

2. Estimated data has been calculated based on the methods described in the Methodology Document.

3. Reported data refers to consumption which has been directly billed to the organization.

This information is provided by the Government of British Columbia, and is subject to verification.

Attachment C: Implementation Considerations for Corporate Climate Actions

THE CITY OF BENTON
CORPORATE CLIMATE ACTION PLAN (FINA)

Table 6: Implementation considerations for corporate climate actions

#	Action	Suggested Lead (department or position)	Potential Partners (internal or external)	Estimated Timeframe short-<3 yrs med=3-5 yrs long=>6 yrs*	Estimated Costs (staff time, capital costs, etc)
BUILDINGS					
1	Implement recommended energy efficiency measures from building opportunity assessments	Environmental Coordinator	Consultants, FortiBC, Terasen, Finance & Building Eng Dept.	3-5 yrs	Staff time; capital costs ~ \$460,000
2	Develop a building energy management program	Environmental Coordinator	Consultants, FortiBC, Terasen, Finance, Facilities, Building, Eng Dept.	<3 yrs	Staff time
3	Require an evaluation of energy efficiency opportunities for all major capital projects	Environmental Coordinator & Eng Dept	Consultants, FortiBC, Terasen, Finance, Facilities, Building, Eng Dept.	<3 yrs	Staff time
4	Require an evaluation of alternative energy sources for all major capital projects	All Depts	Consultants, FortiBC, Terasen, Eng Dept, Finance, Facilities, Building, Eng Dept	<3 yrs	Staff and consultant time
FLEETS					
5	Complete certification within the E3 Fleet program	Fleet		<3 yrs	Staff time
INFRASTRUCTURE					
6	Monitor energy use in infrastructure systems	Electrical Utility & Finance	Consultant, FortiBC	<3 yrs	Staff time
7	Conduct a review of utility rate structures	Electrical Utility & Finance		<3 yrs	Staff and consultant time
LEADERSHIP & ENGAGEMENT					
8	Develop an energy efficient purchasing policy	Finance Dept		<3 yrs	Staff time
9	Encourage energy efficiency efforts by staff	Environmental Coordinator		on going	Staff time
10	Create a fund to support energy efficiency projects	Finance Dept		<3 yrs	Staff time
11	Identify a staff member as the owner of the Plan	CAO		<3 yrs	n/a
12	Explore options for hiring an Energy Manager	HR and Development Services	All depts	<3 yrs	Operational costs (1 fulltime equivalent)

Stantec Consulting Ltd.

January 2011

page 27

Attachment D: Comparison Table of Three Options to Balance/Offset Corporate Carbon Liability

	Option 1: GCC-supported project	Option 2: Alternative project	Option 3: Purchase
Ease of implementation	Requires some effort Project profiles already developed by the GCC Project has to be implemented and self-certified	Requires considerable effort and third party assistance Project profiles have to be developed by local government Project has to be implemented and third party verified	Simple
Cost	Varied cost, depending on project Minimal validation and certification costs, as they have been largely pre-established by the GCC	Varied cost, depending on project Local government required to pay for all costs to develop, implement and verify the project	Least cost Purchase tonnes at market rate (which will vary depending on the provider and standard that they use)
Reduction in local/regional GHG emissions	Community emissions reduced	Community emissions reduced	Uncertain impact on community emissions unless offset provider invests locally or regionally; however, climate change is not geographically bound so investments in credible offsets still reduce overall GHG emissions.
Co-benefits	Investment in local green economy; raises local awareness; fosters local / regional technological innovation; supports the creation of green jobs	Investment in local green economy, raises local awareness; fosters local / regional technological innovation; supports the creation of green jobs	Investment in British Columbia; fosters broader technological innovation; reduces GHG emissions; cost effective

Bylaw No. 2017-55

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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. 2017-55".

2. Amendment:

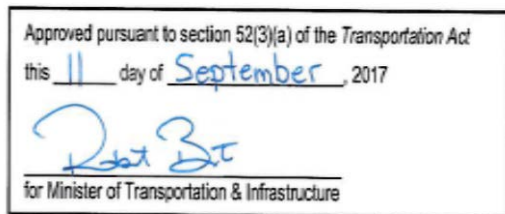
2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone a portion of Lot 23, Block 124, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District Plan 1175, located at 161 Bassett Street, from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing) and a portion to RD2(Duplex Housing: Lane).

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

READ A FIRST time this	15	day of	August, 2017
A PUBLIC HEARING was held this	5	day of	September, 2017
READ A SECOND time this	5	day of	September, 2017
READ A THIRD time this	5	day of	September, 2017
RECEIVED the approval of the	11	day of	September, 2017
Ministry of Transportation on the			
ADOPTED this		day of	, 2017

Notice of intention to proceed with this bylaw was published on the 25 day of August, 2017 and the 30 day of August, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the Community Charter.

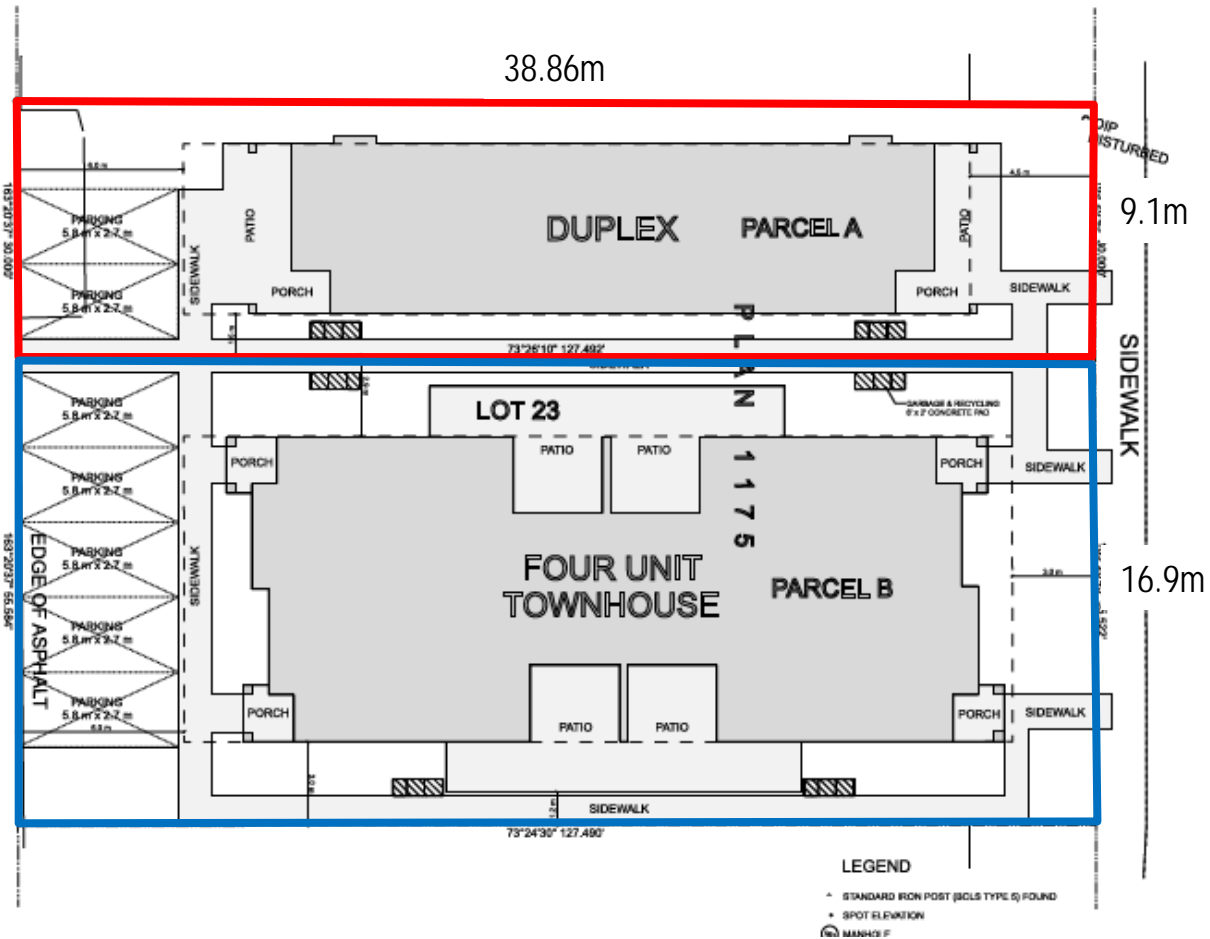


Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Rezone a portion of 161 Bassett Street – shown as **Parcel A** – from R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane)

Rezone a portion of 161 Bassett Street – shown as **Parcel B** – from R2 (Small Lot Residential) to RM2 (Low Density Multiple Housing)



City of Penticton – Schedule 'A'
Zoning Amendment Bylaw No. 2017-55

Date: _____

Corporate Officer: _____

Development Variance Permit

Permit Number: DVP PL2017-7950

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 23, Block 124 District Lot 2, Group 7, Similkameen Division Yale
(Formerly Yale Lytton) District Plan 1175

Civic: 161 Basset Street

PID: 011-792-663

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following section of Zoning Bylaw 2017-08 as shown in the plan attached in Schedule "A":

Section 10.8.2.7 To vary the minimum interior side yard setback from 3m to 2.9m

Section 10.8.2.1 : To vary the minimum lot width from 18m to 16.9m

General Conditions

4. In accordance with Section 501 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 504 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 , 2017

Issued this _____ day of _____, 2017

Dana Schmidt,
Corporate Officer

Bylaw No. 2017-57

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 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. 2017-57."

2. Amendment:

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

- 2.1 Amend Schedule 'B' Future Land Use designation for Lot 9, District Lot 115, Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10, District Lot 115, Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, identified in Schedule A of this bylaw, from LR (Low Density Residential) to MR (Medium Density Residential).
2.2 Amend Schedule 'H' Development Permit Area Map to include Lot 9, District Lot 115, Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10, District Lot 115, Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, as General Multiple Family Development Permit Area, identified in Schedule A of this bylaw.
2.3 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this 5 day of September, 2017
A PUBLIC HEARING was held this 19 day of September, 2017
READ A SECOND time this day of , 2017
READ A THIRD time this day of , 2017
ADOPTED this day of , 2017

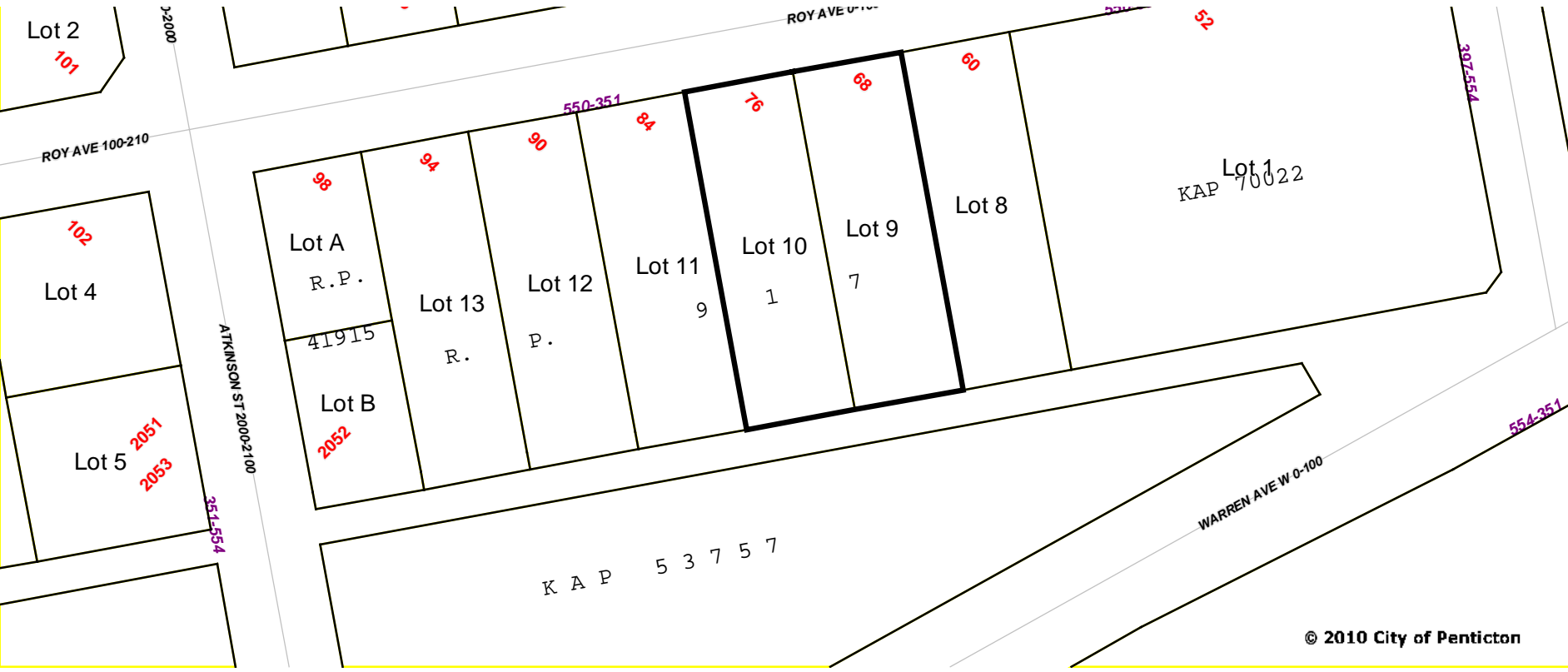
Notice of intention to proceed with this bylaw was published on the 8 of September, 2017 and the 13 of September, 2017 in the Penticton newspapers, pursuant to Section 94 of the Community Charter.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

68 & 76 Roy Avenue

- Change the OCP Designation from LR (Low Density Residential) to MR (Medium Density Residential), and
- Amend Schedule 'H' Development Permit Area Map of the OCP, to include the subject property in the General Multiple Family Development Permit Area



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City of Penticton – Schedule 'A'

Official Community Plan Amendment Bylaw No. 2017-57

Date: _____

Corporate Officer: _____

Bylaw No. 2017-58

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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. 2017-58".

2. Amendment:

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot 9, District Lot 115, Similkameen Division Yale District Plan 9176, located at 68 Roy Avenue and Lot 10, District Lot 115, Similkameen Division Yale District Plan 9176, located at 76 Roy Avenue, from R1 (Large Lot Residential) to RM2 (Low Density Multiple Housing).

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

READ A FIRST time this	5	day of	September, 2017
A PUBLIC HEARING was held this	19	day of	September, 2017
READ A SECOND time this		day of	, 2017
READ A THIRD time this		day of	, 2017
RECEIVED the approval of the		day of	, 2017
Ministry of Transportation on the			
ADOPTED this		day of	, 2017

Notice of intention to proceed with this bylaw was published on the 8 day of September, 2017 and the 13 day of September, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the Community Charter.

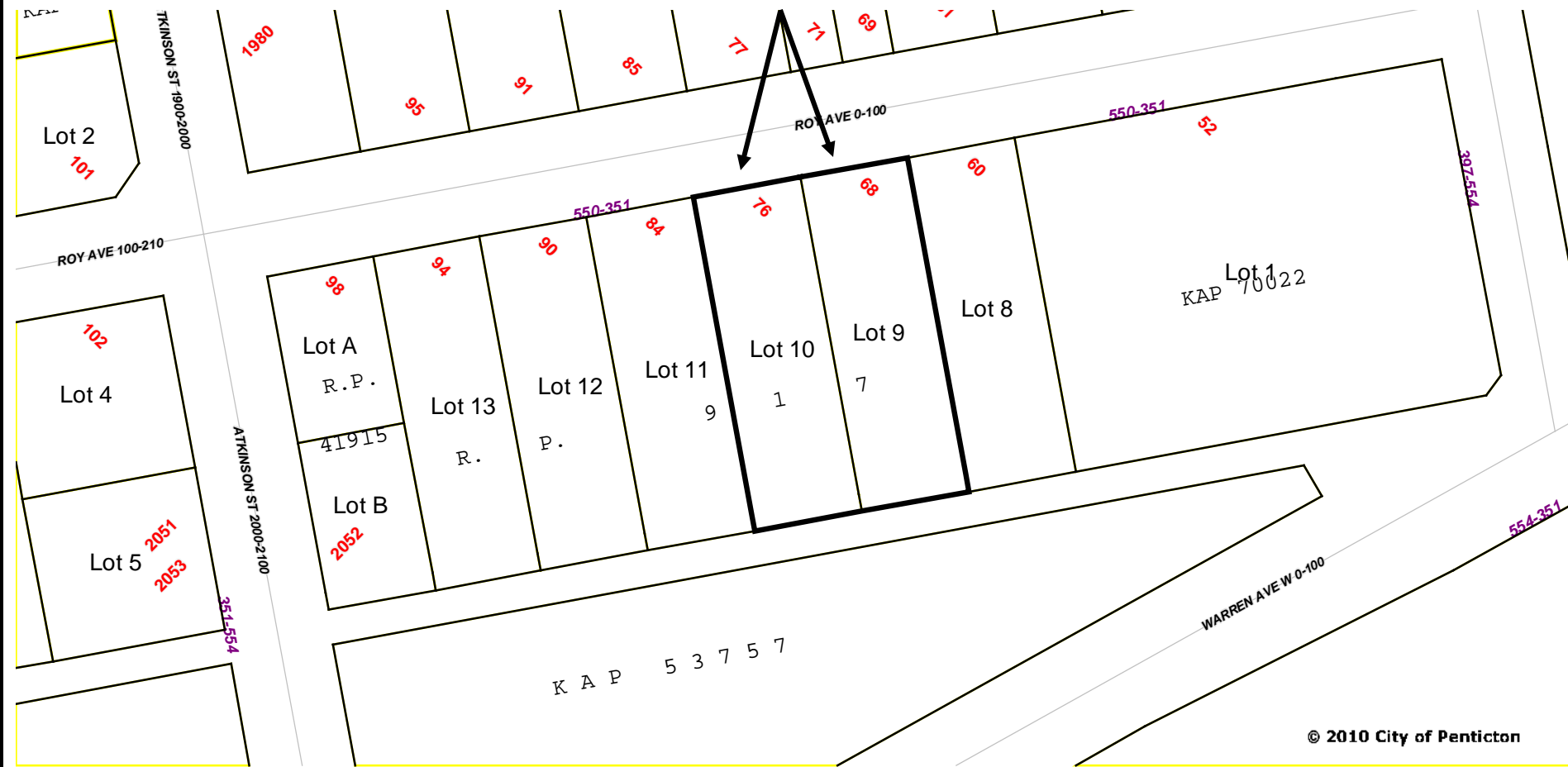
<p>Approved pursuant to section 52(3)(a) of the <i>Transportation Act</i> this _____ day of _____, 2017</p> <p>_____</p> <p>for Minister of Transportation & Infrastructure</p>
--

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Rezone 68 & 76 Roy Avenue

From R1 (Large Lot Residential) to RM2 (Low Density Multiple Housing)



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City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2017-58

Date: _____

Corporate Officer: _____

Bylaw No. 2017-59

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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. 2017-59".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot 8, Block 29, District Lot 202, Similkameen Division Yale District Plan 479, located at 342 Van Horne Street, and the north ½ of Lot 9, Block 29, District Lot 202, Similkameen Division Yale District Plan 479, located at 346 Van Horne Street from RD2 (Duplex Housing: Lane) to RM5 (Urban Residential).

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

READ A FIRST time this	5	day of	September, 2017
A PUBLIC HEARING was held this	19	day of	September, 2017
READ A SECOND time this		day of	, 2017
READ A THIRD time this		day of	, 2017
ADOPTED this		day of	, 2017

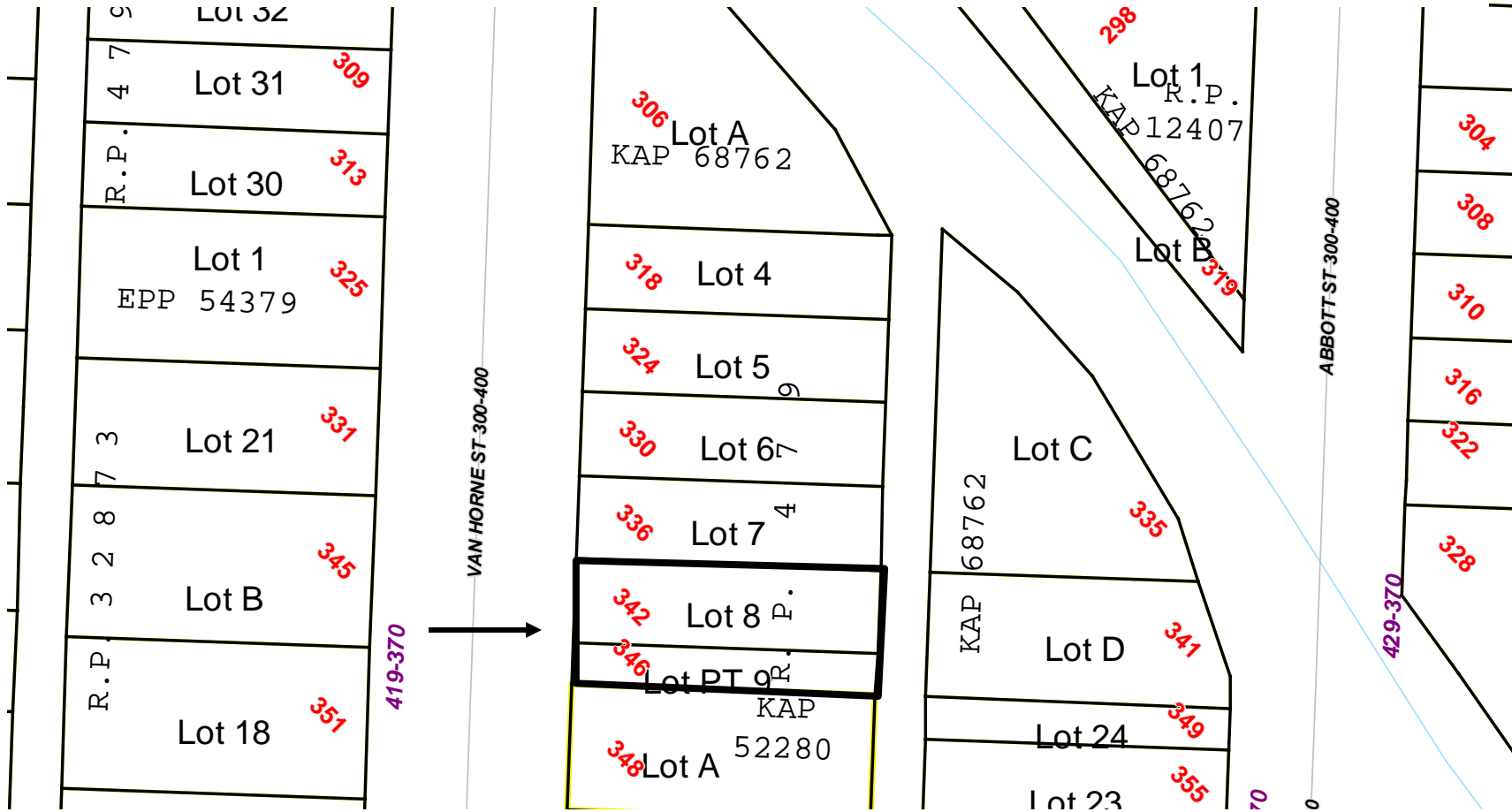
Notice of intention to proceed with this bylaw was published on the 8 day of September, 2017 and the 13 day of September, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Rezone 342/346 Van Horne Street

From RD2 (Duplex Housing: Lane) to RM5 (Urban Residential)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2017-59

Date: _____

Corporate Officer: _____

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 647 Okanagan Avenue East
Subject: **Development Variance Permit PL2017-8033**

File No: DVP PL2017-8033

Staff Recommendation

THAT Council approve "Development Variance Permit PL2017-8033" for Lot 4 District Lot 3821S Similkameen Division Yale District Plan 15261, located at 647 Okanagan Avenue East, a permit to reduce the minimum front yard from 6.0m to 1.5m;

AND THAT staff be directed to issue "Development Variance Permit PL2017-8033."

Background

The subject property (Attachment A) is zoned M1 (General Industrial) and designated by the City's Official Community Plan as I (Industrial). A small portion of the property on the north side is designated by the OCP as PR (Parks and Recreation). Photos of the sites are included as Attachment D. The subject property is approximately 2080m² (22,389ft²). The surrounding properties are primarily zoned M1 (General Industrial) and P2 (Parks and Recreation).

The subject property is within the 30.0m riparian assessment area, thus a riparian assessment area development permit is required prior to issuance of a building permit.

Proposal

The applicant is proposing to demolish two existing industrial buildings and construct a storage/warehouse building with a security operator dwelling unit.

The applicant is requesting a Development Variance Permit to vary the following section of Zoning Bylaw No. 2017-08:

- Section 12.1.2.4: to reduce the minimum front yard from 6.0m to 1.5m.

Financial implication N/A

Technical Review

This application was forwarded to the City’s Technical Planning Committee and reviewed by the Engineering and Public Works Departments. As part of the Riparian Assessment Area Development permit, a no-build covenant will be registered on title in the area shown on the plans in Schedule F. An architect is required because the size of the building is over 600m² (6458ft²). As per Building Bylaw 94-95 section 7.1.5, storm water/drainage is to be maintained on site. If the request for the variance is supported, BC Building Code and City bylaw provisions will apply.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the variance application:

Item	Requirement M1 zone	Proposed
Maximum Lot Coverage:	NA	NA
Vehicle Parking: (Storage and Warehouse)	Minimum 5 + 1 for Security/Operator Dwelling	6 spaces
Required Setbacks		
Front yard (south, Okanagan Avenue East):	6.0m	1.5m (variance required)
Rear yard (north)	7.5m	13.0m+
Interior yard (west):	3.5m	7.65m
Interior yard (east):	0.0m	0.0m
Maximum Building Height:	15.0m	7.5m
Other Information:	Subject property is located within the Riparian Assessment Area Development Permit Area, thus a development permit is required. This permit is staff-issuable.	

Analysis

Development Variance Permit

Support Variance

When considering a variance to a City bylaw, staff encourages Council to be mindful of any constraints on the property that makes following the bylaw difficult or impossible; whether approval of the variance would cause a negative impact on neighbouring properties and if the variance request is reasonable.

Section 12.1.2.4: to reduce the minimum front yard from 6.0m to 1.5m.

- The riparian setback on the subject property is significant and poses a hardship in developing the property to allow for a viable industrial sector employment based use. Reducing the front yard setback to 1.5m enables the applicant to construct a sizeable storage building for his large equipment while maintaining the riparian setback. Staff have worked extensively with the applicant to come up with a plan that is acceptable to achieve the redevelopment of this parcel with the constraints that exist. A 1.5m front yard setback is adequate in an industrial area and is unlikely to

have a negative impact on the surrounding properties. The current proposal maintains the interior yard setbacks of 0.0m and 3.5m. The positioning of the building allows for the required number of parking spaces on-site. As part of the development process, the owner will be required to construct a fence along the 15.0m Litter Fall Zone of Sensitivity (ZOS) area and provide plantings within that area, intended to negate any impacts on the protected area. This will be secured through a bond and a no-build covenant will be registered on the property. For the reasons mentioned above and the hardship that exists, it is reasonable to support the front yard variance.

Staff consider that the variance requested will have little impact on the neighbourhood and recommend that Council, after hearing from any affected neighbours, support the application.

Deny/Refer Variances

Council may consider that the proposed variance will negatively affect the neighborhood. If this is the case, Council should deny the variance.

Alternate Recommendations

1. THAT Council support DVP PL2017-8033 with conditions.
2. THAT DVP PL2017-8033 be referred back to staff.


Attachments

- Attachment A: Subject Property Location Map
- Attachment B: Zoning Map
- Attachment C: OCP Map
- Attachment D: Photos of Subject Property
- Attachment E: Site Plan
- Attachment F: Riparian Assessment Area Map
- Attachment G: Preliminary Front Elevation
- Attachment H: Letter of Intent
- Attachment I: Development Variance Permit PL2017-8033

Respectfully submitted,

Randy Houle
Planner I

Approvals

DDS	CAO
	PW

Attachment A – Subject Property Location Map



Figure 1: Subject Property Location Map

Attachment B – Zoning Map

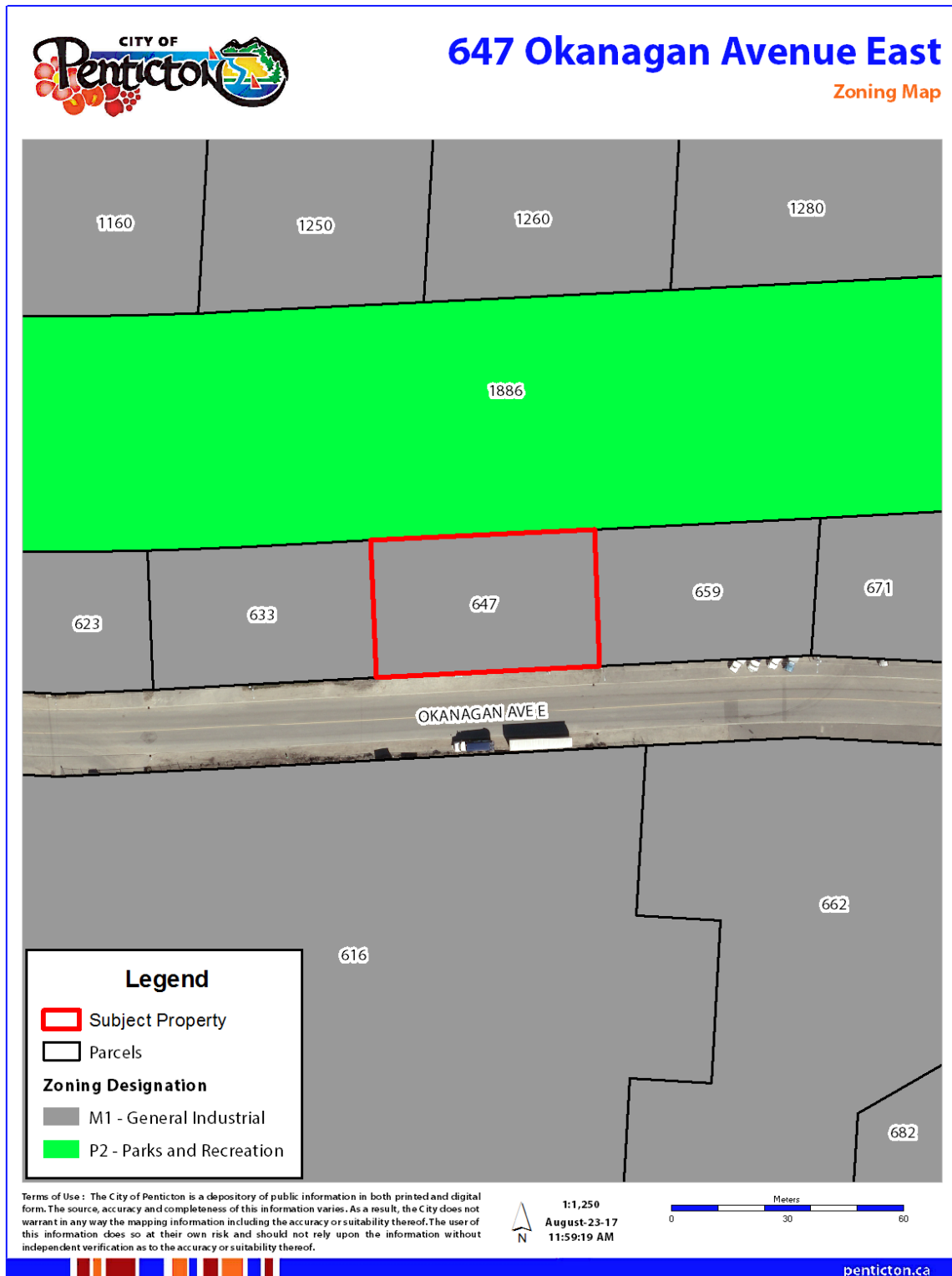


Figure 2: Zoning Map

Attachment C- OCP Map

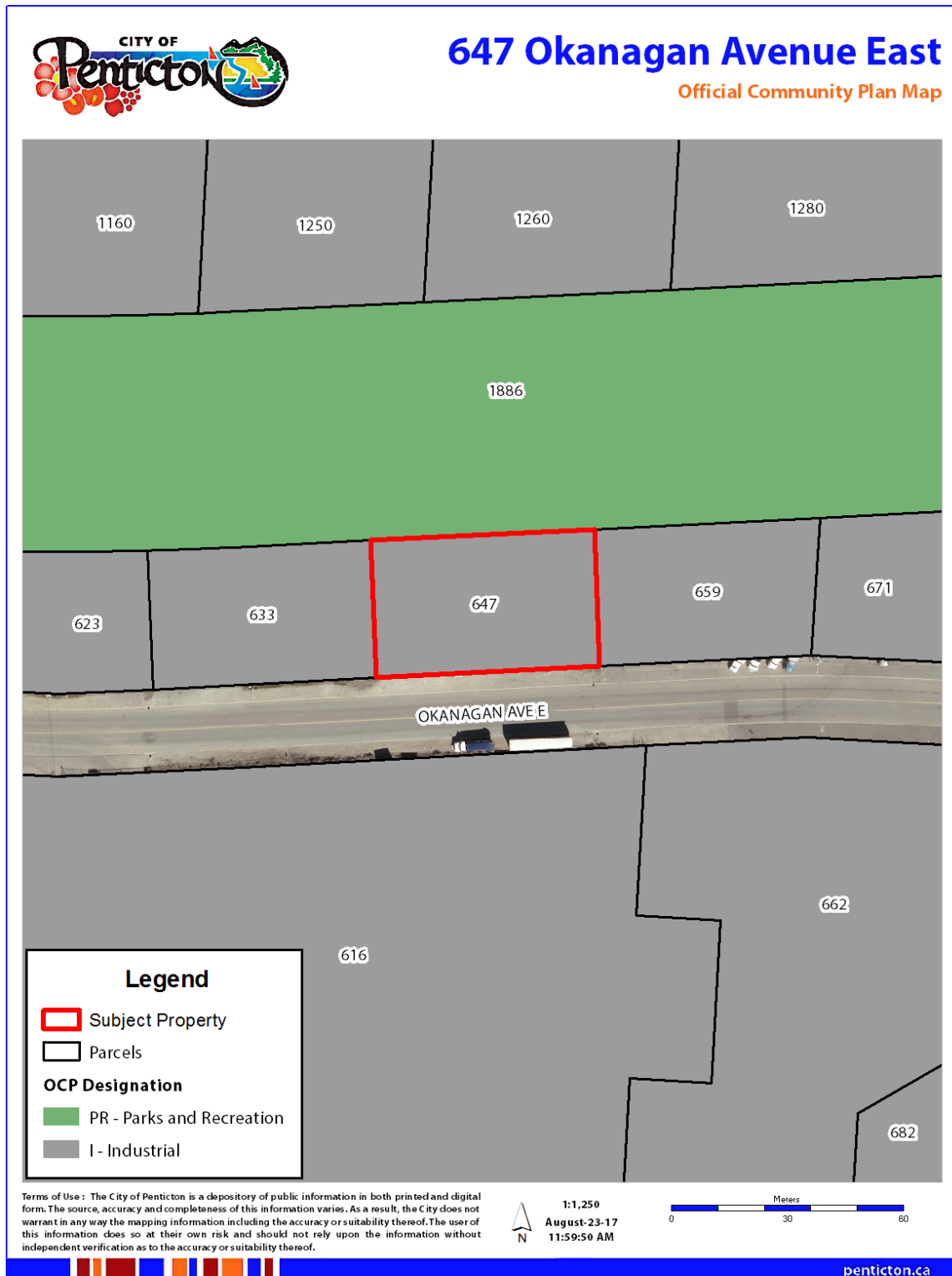


Figure 3: OCP Map

Attachment D – Photos of Subject Property



Figure 4: South View of Existing West Building



Figure 5: South View of Existing East Building



Figure 6: North Portion of Subject Property



Figure 7: Existing Street Frontage Looking East

Attachment E - Site Plan

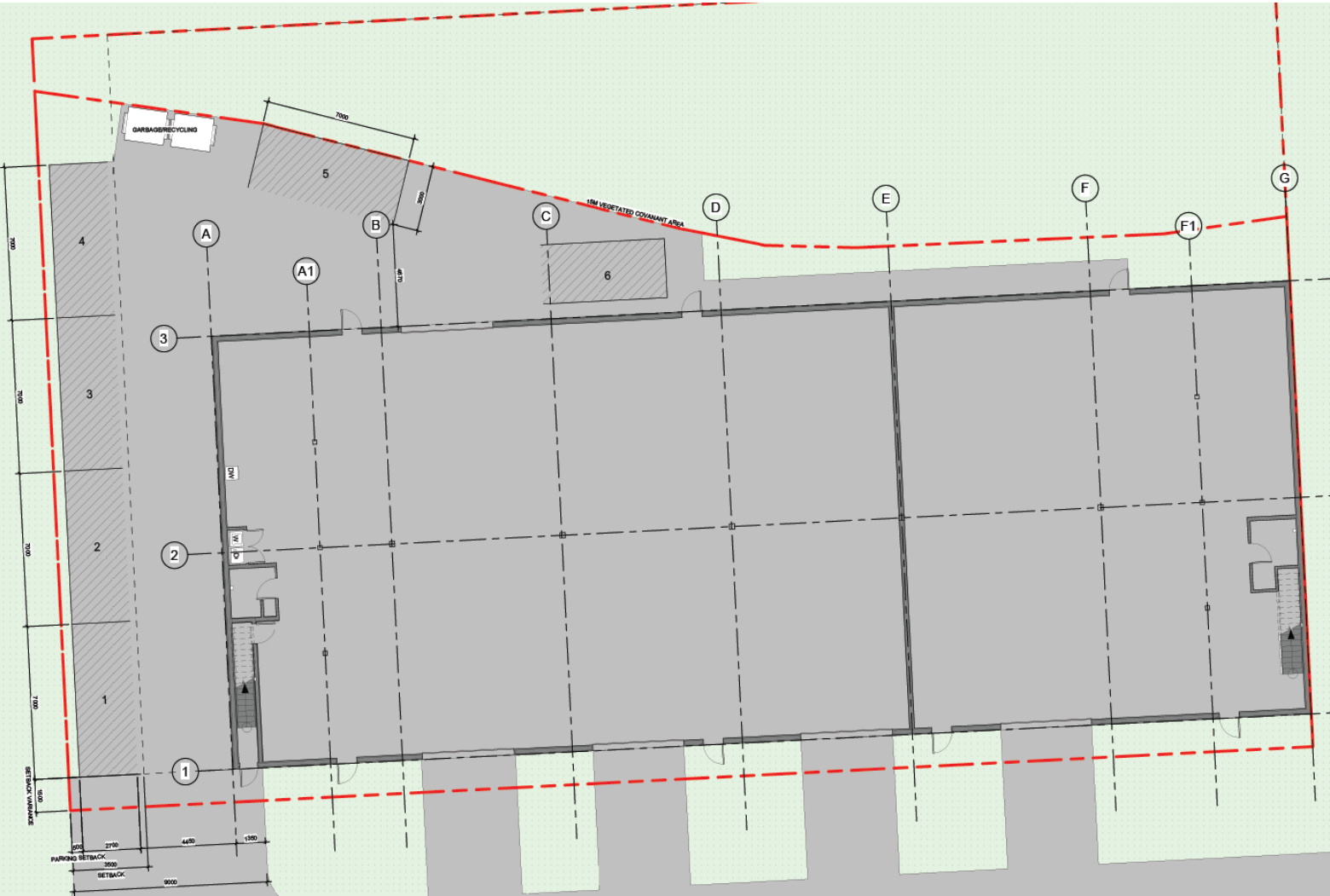


Figure 8: Site Plan

Attachment F – Riparian Assessment Area Map

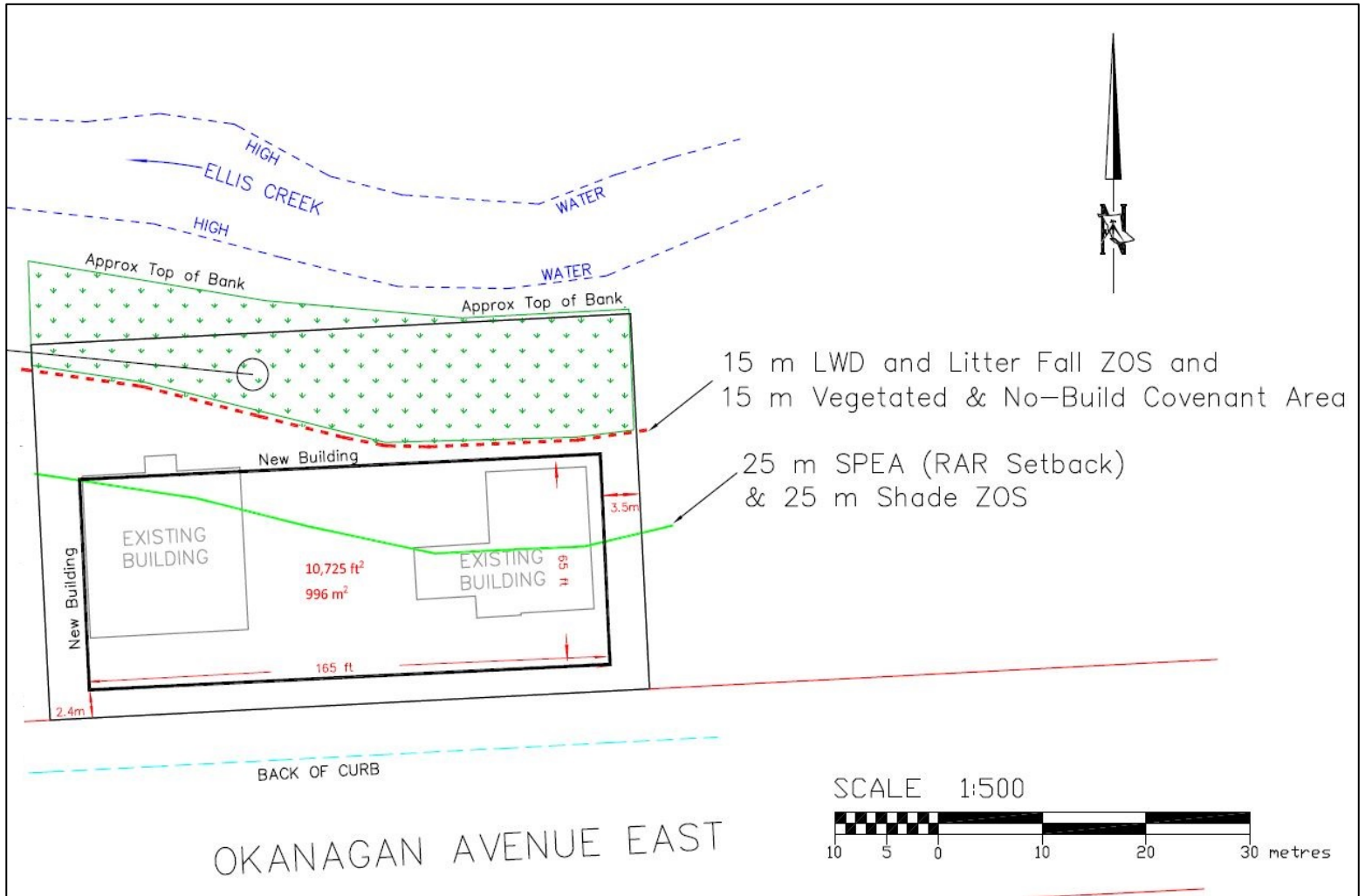


Figure 9: Riparian Assessment Area Map

Attachment G – Preliminary Front Elevation

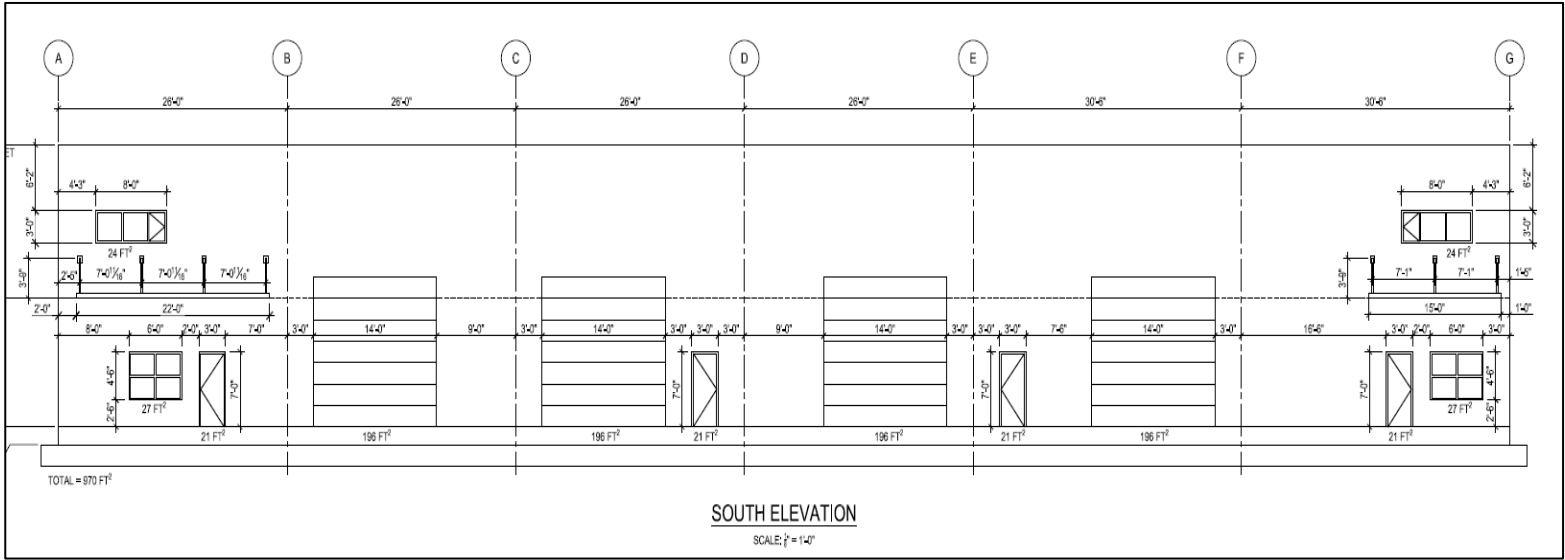


Figure 10: South Elevation (from Okanagan Ave. E)

Attachment H- Letter of Intent

MEIKLEJOHN ARCHITECTURAL DESIGN **STUDIO** INC.
CALVIN B MEIKLEJOHN, ARCHITECT AIBC

Date: September 5, 2017
Address: Penticton City Hall
171 Main St., Penticton, BC
V2A5A9
Attn: Planning Department
Re: Proposed New Warehouse, 008-860-653, 647 Okanagan Ave E

Dear City Planner:

We would like to take this opportunity to introduce to you the new Warehouse located at 647 Okanagan Ave E.

The proposed development consists of a new warehouse to replace old, non-energy efficient buildings that are aesthetically unattractive. The new warehouse would be 10,725 square feet, with 2 stories containing a suite on one end and an open story mezzanine on the other.

The owner has been working closely with a qualified environment expert, and has agreed to follow their recommendations for provisions to allow the building plan to work on site, including concessions on the size to fit within the building footprint shown. Please note that we require a variance to reduce the minimum front yard setback from 6.0m to 1.5m. This will allow us to provide parking in the rear without affecting the riparian area.

If the walking trail on the north side of Ellis creek is extended east, it will be unaffected by our project which is located on the south bank of the creek.

We thank you for your time and review of our proposal. If you have any questions or require any further information, please do not hesitate to contact us at the number or email address below.

Yours Truly,



.....
Cal Meiklejohn, Architect AIBC, FRAIC, LEED AP
Meiklejohn Architects Inc.
t. 250-492-3143
e. cal@meiklejohn.ca
/smb

Figure 11: Letter of Intent



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

Development Variance Permit

Permit Number: DVP PL2017-8033

Name:
Address:

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 4 District Lot 3821S Similkameen Division Yale District Plan 15261
Civic: 647 Okanagan Avenue East
PID: 008-860-653
3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following section of Zoning Bylaw 2017-08 to allow for the construction of an industrial building as shown in the plans attached as Schedule A.
 - Section 12.1.2.4: to reduce the minimum front yard from 6.0m to 1.5m.

General Conditions

4. In accordance with Section 501 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 504 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 19 day of September, 2017

Issued this ____ day of _____, 2017

Dana Schmidt,
Corporate Officer

DVP PL2017-8033

Page 2 of 2

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, CAO
From: Anthony Haddad, Director of Development Services
Subject: **Downtown Plan Status Update – Implementation**

File No: 6520-20

Staff Recommendation

THAT Council receive this report for information, for an update as to the status of the Downtown Plan implementation.

Strategic Priority

This project is consistent with the City's Vision which stresses the importance of creating a vibrant downtown and Council's Strategic Priority of Downtown Revitalization.

Background

As part of the 2012 strategic planning process, downtown revitalization was identified as a strategic priority and funds were allocated to the development of the Downtown Plan. Staff was directed to undertake a comprehensive planning process for the downtown and after more than a year of extensive planning and public engagement work the Downtown Plan was adopted by Council and incorporated into the City's Official Community Plan on June 17, 2013. The partnership with the Downtown Penticton Association (DPA) was critical to success of the development of the Plan. Since that time the Downtown Advisory Committee and now the Community Revitalization Committee has been driving the implementation of the Plan, which has seen several projects move forward.

The plan is composed of five sections. Highlights of each section are provided below for Council's information.

Part 1: Process: This section of the plan outlines the process that was used to development the plan and highlights the various events that contributed to the success of the planning process.

Part 2: Background: The background section of the plan provides an overview of the research and information that was used to inform the planning process and support policy and design recommendations in the plan. This includes a commercial growth analysis, context statement and inventory of infill sites in the Downtown. The plan is supported by a wealth of previous studies and supporting documents which have been compiled and consolidated as part of the Downtown planning process.

Part 3: Layers: The layers section of the plan refers to elements that overlay and permeate throughout the downtown including land use, park space, mobility networks and infrastructure. This section establishes policies in these areas. Highlights include prioritizing cycling and pedestrian travel modes, increasing the urban tree canopy and greater prioritization for downtown infrastructure projects.

Part 4: Character Areas: In spite of its size, Penticton’s downtown is comprised of several areas of unique character. Much of the planning processes involved inventorying these character areas and using the information to create design strategies for each of these areas. Much of the urban design elements of the of the plan are found in this section, including North Green, South Green and the Main Street pedestrian enhancements.

Part 5: Making the Plan Real: Part 5 of the plan summarizes the “action items” in the previous sections of the plan and outlines a step-by-step approach to implementation. This includes a list of projects categorized as short, medium and long term priorities. It also includes a section of recommended policy changes.

Commitment to Making the Plan Real – Implementation Update

As was committed to when the Downtown Plan was developed, updating Council and the community as to the status of its implementation was an important focus of staff over recent years through a variety of forums and projects. We are coming up on four (4) years since the Downtown Plan was adopted and it is important to look back on the successes and learnings from implementation thus far.

The Downtown Plan was never intended to sit on a shelf, and the following provides Council with tangible implementation success stories that, with similar investment and commitment, will continue into the future to create a vibrant, liveable and sustainable downtown for the benefit of the entire community. The following summary provides an update as to the status of the implementation projects identified in the downtown Plan.

Part 5 – Section 5.1

This section of the Downtown Plan was developed to recognize some of the barriers that existed to development occurring in the downtown. Downtown has historically been more expensive and difficult to develop in given the high water table, land size and availability and importantly land costs. The following policy changes were identified to reduce barriers to development and help incentivize the creation of strategic uses in the downtown that were identified through the engagement process with the community in 2012 and 2013.

Policy Change – Existing Policies and Bylaws	Update
Revisit Downtown Economic Investment Zones (EIZ’s)	<ul style="list-style-type: none"> Amendments to the EIZ we put in place in 2013 to target specific developments and uses that the community wanted to see occur downtown. More than \$50M of private sector downtown will have qualified for incentives under the Downtown EIZ Bylaw by the time it is completed at the end of 2018. Staff will be reviewing the next phase of the EIZ program over the coming months.
Revisit Development Cost Charges (DCC’s)	<ul style="list-style-type: none"> DCC’s in the downtown core are lower than developing in the outer areas of the city because it is more efficient from an infrastructure perspective to

	develop in higher density areas of the City. Once the Official Community Plan process is complete, a review of the DCC Bylaw will occur, with specific growth management opportunity to prioritize the downtown.
Revisit the use of public storefront space	<ul style="list-style-type: none"> • With each revitalization project, the creation of new storefront use guidelines occurred to allow greater flexibility for tenants to use the space out front of their business to activate the streetscape.
Change design standards and aesthetic of the public realm	<ul style="list-style-type: none"> • Through the development of each capital project the design elements of the downtown core a key discussion point resulting in the design standards seen along Martin & Westminster and along the 100-200 blocks of Main Street, providing high priority amenities for the community.
Revisit Land Use Policies	<ul style="list-style-type: none"> • Since the adoption of the Downtown Plan a number of policy changes including permitted uses, parking requirements and setback have all been updated to better reflect development trends and needs in the downtown. Reducing barriers to developing downtown was a key theme to this work and the changes made so far have allowed for new development to proceed more efficiently.

Part 5 – Section 5.2

The creation of new policies and partnerships has been and will be a key to a successful downtown community. The City is fortunate to have many partners in the implementation of a vibrant downtown, and through the work completed over recent years, much success has been achieved. Ongoing work is required into the future to continue the momentum.

Policy Change – New Policies and Bylaws	Update
Land Use Policies for Public Realm	<ul style="list-style-type: none"> • Street activation and beautification were key themes in the development of new policy, including work around busking, street vending and increasing the downtown tree canopy. Further work is required over the coming years as the downtown continues to evolve and redevelop.
Integration with City's Climate Action Plan	<ul style="list-style-type: none"> • Downtown redevelopment, in particular increasing residential densities, is in line with the City's community Climate Action Plan.
Partnership development	<ul style="list-style-type: none"> • Downtown revitalization cannot be completed by Council alone. Partnership development was identified as a high priority for implementation and success has occurred on a number of fronts. The 'graffiti program' is one example of a partnership between the City and the DPA to assist in the beautification of the downtown community. Another example is the local service area tax, which has business owners contribute to street beautification.
Affordable Housing	<ul style="list-style-type: none"> • The City has committed land on Brunswick Street through a partnership with BC Housing to develop an affordable housing project. This in addition to approvals for other affordable housing options in the downtown has been significantly contributed toward providing more affordable housing options in our city.
Parking policies	<ul style="list-style-type: none"> • Since 2012 a number of changes have been made to the parking program downtown and through 2017 staff are in the process of updating the program through extensive engagement with the community. Zoning Bylaw changes have promoted greater alternative transportation choices in the downtown core and reduced some parking requirements, triggering more development intending on improving walkability downtown.

Part 5 – Section 5.3

Visible evidence of Downtown revitalization was one of the main themes of the planning and engagement process when the Downtown Plan was developed. For many years there had been promises of project development and revitalization efforts, however, no projects have gone forward for whatever reason. The development of a plan and identification of strategic projects for investment was critical for the success of the 2013 Downtown Plan. The following projects were identified by the community and much success has been achieved since then, however, to continue on with the success and momentum built through both public and private investment downtown, further work and commitment is required long term.

Project Plan	Update
Indoor Public Market	<ul style="list-style-type: none"> • Early development of this project in the Bus Barn was attempted to build on the success of the Farmers and Community Market, however the vision never came to fruition. In place of this vision, the city leased out the Bus Barn to FitKidz gymnasium, bringing over 600 families that utilize the gym into the downtown core.
Beach to Beach Transportation	<ul style="list-style-type: none"> • The original concept was to create a trolley service from lake to lake and service the downtown. In lieu of this, further investment from the City and BC Transit has taken plan with the Main Street bus route over recent years, creating a greater presence for transit users in and around the downtown.
North Green (100 Block of Main Street)	<ul style="list-style-type: none"> • Design and construction of this project is completed successfully – on time and on budget.
Main Street (200-600 Blocks)	<ul style="list-style-type: none"> • Design and construction of the 200 block is completed successfully – on time and on budget. Work is currently underway to continue up into the 300 block.
South Green (700 Block of Main Street)	<ul style="list-style-type: none"> • Conceptual design work was completed in 2014 and further work will be required to realize the vision of creating a more useable parkspace at the south end of downtown.
Westminster Avenue / Entertain District	<ul style="list-style-type: none"> • Design and construction of the Westminster/Martin project is completed successfully – on time and on budget. This was the first project to be implemented coming out of the Downtown Plan.
Ellis Street Streetscape & Land	<ul style="list-style-type: none"> • Work has not yet commenced on this project and will be a focus of the Community Revitalization Committee, especially with the emerging development activity taking place at the north end of Ellis Street.
Penticton Creek	<ul style="list-style-type: none"> • The first phase of the Penticton Creek restoration project has been completed with resounding success. The long term Master Plan for the Creek has been completed and Phase 2 is slated for implementation over the coming year.
Public Washrooms	<ul style="list-style-type: none"> • Permanent public washrooms have been installed in the 200 Block parking lot and prior to that taking place, temporary washrooms were installed in a variety of locations downtown to provide much needed facilities for the community – especially during larger events.
Public Art	<ul style="list-style-type: none"> • 2017 saw the successful implementation of incredible public art installations in and around the downtown and Okanagan Lake waterfront. The City's Arts & Culture Committee were integral to its success and will continue to evolve the public art discussion over the coming years.
Children's Play Equipment	<ul style="list-style-type: none"> • The original vision was to create a play structure within Gyro Park and while further work is required, alternative locations and opportunities may come up in the future. The provision of amenities for children and families is critical to

	supporting a diverse population downtown.
Public Wi-Fi	<ul style="list-style-type: none"> • Complete – Public Wi-Fi has been implemented in the downtown through an agreement with Shaw. Many local business have initiated public access to Wi-Fi within their premises to serve their customer needs.
Nanaimo Square	<ul style="list-style-type: none"> • Revisiting the work completed in the early-mid 2000's in Nanaimo Square has not yet been completed. Reimagining this space to improve activity levels will be an important project for review in the short term.
Performing Arts Centre	<ul style="list-style-type: none"> • Opportunities for partnerships with local organizations have been investigated for both the old Pen-Mar theatre and the Nanaimo Hall site. Much work is still required to realize the vision of creating a new downtown performance space.
Transit Hub	<ul style="list-style-type: none"> • Early discussions took place with Greyhound and BC Transit to look at a more efficient use of the Greyhound site for a transit hub. Further work is required, however investment in transit routing and frequencies has taken place and will need to continue to take place as downtown densities increase to support increased transit use for downtown residents, employees and visitors.
Park Lots	<ul style="list-style-type: none"> • The concept of 'greening' new parking lots has not taken place until recent times with new parking facilities being proposed and designed in accordance with the guidelines for 'greening' surface parking lots. Staff will be working with property owners to ensure that surface parking lots are designed to be visibly attractive, manage stormwater sustainably and provide for the required parking in appropriate locations.
Laneways	<ul style="list-style-type: none"> • The Re-Imaging Arts Festival initiated the enhancement to many laneways over recent years. While utilized for vehicle access, garbage collection and servicing, these assets can become important public spaces and front doors to businesses.
Breezeways	<ul style="list-style-type: none"> • Pedestrian connections from the City's parking lots to Main Street have historically been important accesses for customer's downtown. No breezeway currently exists in the 400 block and this is a project that staff will be working with the Community Revitalization Committee over the coming year, as the business owners in the 400 block are interested to see if this can move forward.
Civic Centre	<ul style="list-style-type: none"> • This project envisioned to assess the efficient use of land downtown for government facilities. Further work is required over the coming years looking not only at the land use efficiencies that may be gained but the land economics and partnership opportunities to make productive and fiscally responsible changes. This project was considered a long term goals for the Downtown Plan.
Relocate Electrical Services	<ul style="list-style-type: none"> • Undergrounding the City's electrical services downtown is a long term project that will be implemented as opportunities come forward. Given current levels of development activity, opportunities to commence this through partnerships with the development community may be brought forward sooner rather than later. Funding mechanisms still require work to develop a fiscally responsible implementation plan.

Financing Downtown Plan Implementation

Successful downtown revitalization cannot be undertaken through public investment alone. It must be achieved through a mix of public and private investment in a variety of forms and in line with a vision

created through a plan. In 2013, the Plan was developed and since then financing much of its investment has been a partnership with the development community, agencies and public funds through a variety of sources. The following Table speaks for itself in recognizing the financial risks associated with developing downtown for both the public and private sector. Many smaller communities struggle to see investment in their downtowns, Penticton however, over recent times has not. Strategic public investment has been offset by significant private investment, ensuring the payback on investment of public funds is achieved efficiently.

Public Investment since adoption of Downtown Plan

Project	Public Sector Investment
Martin Street / Westminster	\$1.3M – City
100-200 block of Main Street	\$2.1M – City
Penticton Creek Restoration – Phase 1	\$350k – City / Province
Penticton Creek Master Plan	\$125k – City / Province
Public Washrooms	\$75K – City
Brunswick Street Affordable Housing	\$8M – City / Province
Court House	\$650K – Province
TOTAL	\$11,195,000

Private Investment (High Profile Projects) since adoption of Downtown Plan

Development	Private Sector Investment
Cannery Brewing	\$1.5M
Landmark Cinema	\$3.5M
Bad Tattoo	\$1.5M
Ellis Don / BC Housing	\$12M
Time Winery – Martin Street	\$4.5M
Chase Valley – Front Street	\$10M
Schoenne Homes – Front Street	\$2.5M
Lakeside Resort expansion	\$12M
Façade upgrades: Pasta Factory, Old Order, Castanet, Smart Shoppers etc.	\$100,000
Van Horne Apartments (32 units in 4 buildings)	\$6M
New SOICS Office – Ellis Street	\$675K
Lakeside Resort	\$12 M
TOTAL	\$41,600,000

Analysis

The 2013 Downtown Plan, now entrenched into the OCP, established a comprehensive vision for the downtown and framework for achieving the visions. The project involved extensive consultation throughout all phases and has received strong support from Downtown Businesses, Citizens and Tourists. The plan was a community-driven process, containing a mix of innovative ideas, and tested methods of urban design. The plan was vetted by the revitalization committee, community and Council and the ideas and concepts of the

eventual implementation have been continually refined with feedback from the full spectrum of stakeholder groups.

The plan built upon previous planning efforts and sets realistic priorities and buildable projects and action items to see the plan become a reality. While much work is needed to continue on with the first years of success, it is exciting to see the vision set through thorough community engagement is coming to fruition. The momentum built through early project implementation was critical to begin the downtown revitalization process and through further efforts of the community and revitalization committee, staff are committed to ensuring that the downtown continues as a priority for our city.

Respectfully submitted,

Anthony Haddad
Director of Development Services

Approvals

Director <i>AH</i>	Chief Administrative Officer PW
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Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, CAO
From: Anthony Haddad, Director of Development Services

File No: 6520-20

Subject: 300 Block – Main Street Local Area Service Bylaw No. 2017-62

Staff Recommendation

THAT “300 Block – Main Street Local Area Service Bylaw No. 2017-62”, a Bylaw under Section 211(1)(b) of the *Community Charter*, to impose a local area service tax to offset the cost of street improvements on Main Street, be given first and second reading;

AND THAT, in accordance with Section 213 of the *Community Charter*, approval of the Bylaw be subject to a petition against the bylaw by property owners who would be subject to the bylaw;

AND THAT notice of Council’s proposal to proceed with the local area service be carried out in accordance with Section 213 of the *Community Charter*;

AND FURTHER THAT once the 300 Block – Main Street Local Area Service Bylaw is complete, if supported by the landowners, this project be considered as part of the 2018 Budget process.

Strategic Priority

This project is consistent with the City’s Vision which stresses the importance of creating a vibrant downtown and Council’s Strategic Priority of Downtown Revitalization.

Background

In August of 2011, Council committed to a new vision statement for the City: “*Penticton - a vibrant, innovative, adventurous, waterfront City focused on sustainability, community and economic opportunity*”.

The Vision Statement is accompanied by “Vivid Descriptors” which outline how the City’s Vision will be achieved. The Vivid Descriptor describing vibrancy reads as follows:

“A revitalized downtown where the buildings are created to blend with the natural environment; where the rich array of culinary, education, theatre, casino and active night life options emits the vibe that Penticton is an exciting place to live and visit.”

As part of the 2012 strategic planning process, the downtown was identified as a strategic priority. Staff was directed to undertake a comprehensive planning process for the downtown and after more than a year of

extensive planning and public engagement work the Downtown Plan was adopted by Council and incorporated into the City's Official Community Plan on June 17, 2013.

The first project to be completed coming out of the Downtown Plan were the upgrades involved with the Martin/Westminster Revitalization project. This project was completed with the support and contribution of the landowners and was completed in early 2014, on time and under budget.

The second project completed was the first phase of the Main Street Revitalization project, which included the 100 and 200 Blocks of Main Street. This project was completed with the support and contribution of the landowners and was completed in early 2017, on time and on budget.

Proposal

The next project proposed is the 300 Block of Main Street, to continue on with the success of the first two blocks and complete the north half of the Main Street commercial core of our downtown from Lakeshore Drive to Wade Avenue.

Council endorsed moving ahead with the design work associated with this project as part of the 2017 Budget process, to commence the design and consultation process with the landowners. Council passed the following resolution:

<p>(153/2017) It was MOVED and SECONDED</p> <p>THAT Council reconsider and approve the design work for the revitalization of the 300 block of Main Street for \$166,000 to be funded by capital carry forward.</p> <p style="text-align: right;">CARRIED</p> <p style="text-align: right;">Mayor Jakubeit, Councillors Martin & Konanz, Opposed</p>
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Staff have followed through with Council's direction and completed the design work and much of the consultation with the landowner group. Total estimated project cost is \$2,185,000 and the land owner contributions will be \$298,960. Specific to this report is the contribution from the landowners through a local service area bylaw.

Taxation programs like these can be implemented as a local area service tax under Division 5 of the Community Charter. Under Section 211(1) of the Community Charter, Council may only adopt a bylaw imposing a local area service tax:

- in response to a petition from property owners,
- with elector assent, or
- by approving the bylaw subject to a petition against the tax by affected property owners.

Because the City has initiated the Downtown Plan and subsequent projects, the latter of the three options is the most logical, cost-effective and practical approval option. This is also consistent with both the Martin/Westminster Revitalization project and 100-200 Block of Main Street revitalization process.

Section 213 of the Community Charter requires the City to give notice of the proposed bylaw by posting the notice in designated public places, mailing notice to affected property owners and through newspaper advertising. After notice has been given, property owners must be given 30 days to submit a petition.

A petition is sufficient to defeat the proposed bylaw if at least 50% of the property owners subject to the tax and at least 50% of the total assessed value of all of the parcels subject to the tax sign the petition against the project.

Staff and representatives of the Downtown Penticton Association have met with each property owner that would be subject to the proposed tax. Each property owner has been provided details of the project as well as a detailed breakdown of the costs associated with this project. A significant amount of support from the property owners in 300 Block has been received, largely based on the success of the 100-200 block of Main Street project, but also considering the significant level of investment being made in the downtown core by the development community and the contribution that those development will have to the downtown community long term. The addition of new residential development in the downtown core and around the periphery of the downtown will allow the revitalization project to receive the long term benefits envision by the Downtown Plan and Official Community Plan.

The proposed bylaw establishes a 20 year payback program from the benefitting properties totaling \$298,960, based on the proposed 25% contribution from the property owners. Interest can be charged on the annual payments based on the method of funding for the entire project.

The bylaw would impose an annual fee, on lot frontage abutting the project area. As an alternative to paying an annual fee, one upfront payment at the beginning of the 20 years can also be made. Such payments do not include interest.

Downtown Revitalization Select Committee

The Community Revitalization Select Committee – established by Council to oversee and advise Council on the Downtown Plan and other revitalization efforts – have endorsed the proposal at their meeting on September 6th, 2017. The committee’s recommendation reads as follows:

It was MOVED and SECONDED that the Community Revitalization Select Committee recommends

THAT Council proceed with the Local Area Improvement process for the 300 Block Main Street Project.

CARRIED UNANIMOUSLY

Further discussion followed with regards to the funding of this project through borrowing funds, as opposed to funding this project through the capital budget process. The committee’s prime objective is to complete the 300 Block Main Street project by June 2018.

It was MOVED and SECONDED that the Community Revitalization Select Committee recommends:

That if funding is not available through the 2018 budgeting process that Council direct staff to seek alternative funding to ensure the 300 Block Main Street Project is completed by June 2018.

CARRIED UNANIMOUSLY

Staff have addressed both of the recommendations in the body of this report.

Financial implications

Should the landowner petition process be successful, Council will consider the funding of the remainder of the project through the 2018 budget process. The local area improvement levy covers 25% of sidewalk and streetscape costs paid by local area landowners. A breakdown of the project costs is provided below:

Total Project Cost Estimate:	\$2,185,000	
Landowner Contribution	\$298,960	
City Contribution:	\$1,886,040	<ul style="list-style-type: none"> • \$350,000 – Water Utility Fund • \$1,535,040 – General Capital Fund, or Financing

In consideration of the development activity taking place to support the Capital investment from the City and the landowners, the following provides a summary of some of the more significant downtown development projects that will provide for addition taxation, commercial/office space and residents contributing to the long term success of the downtown and our community. It is important to note these factors when considering the investment of capital funds towards a project in the business case to help support such an investment. What these costs don't include are the community benefits attributed from the residents, business tenants and tourists generated by these projects – which will positively impact the local economy in many more ways than the taxes that they will bring on an annual basis.

Development Location / Type	Development Value	Estimate Annual Taxes (Municipal portion only)
Cannery Brewing	\$1,478,000	\$10,100
Landmark Cinema	\$5,238,000	\$35,850
Bad Tattoo	\$1,510,000	\$10,335
Time Winery – Martin Street	\$4.5M	\$30,800
Chase Valley – Front Street	\$10M	\$58,400
Schoenne Homes – Front Street	\$2.5M	\$10,000
Ellis Don/BCH – Backstreet Boulevard	\$12M	\$57,000
Lakeside Hotel	\$15M	\$102,675
		Estimated TOTAL - \$315,160

It should be noted that the above does not include all of the infill redevelopment in and around the downtown which would contribute a significant amount more overall to the City's tax base, including the addition of more pedestrian traffic taking advantage of the revitalization efforts. Some of these projects also qualify for incentives so will be relieved of taxes for the first few years, however long term taxes are increased from these developments moving ahead once the incentive period is complete for the 60-70yr+ life of these developments – which would represent more than \$20M in additional revenue to the City over the life of these projects.

Proposed Funding Solution

In addition to the landowner contribution being sought through the Local Area Improvement Process, staff have considered the funding options for the remainder of the project budget. With \$350,000 being allocated from the Water Utility to pay for the water infrastructure upgrade component of the project, funding of the

remaining \$1,535,040 still needs to be determined. Options for Council consideration through the 2018 budget process include the project in our capital program funded by Gas Tax funds and Electrical dividend, or financing the project through a borrowing from the Municipal Finance Authority of British Columbia (MFA). In consideration of the pressures surrounding other Council priorities for asset management, facility and roads upgrades, flood recovery and Information Technology enhancements, and the desire to complete the Main Street project up to Wade Avenue in the short term, the proposed approach from staff is to obtain short term borrowing (under five years) from the MFA.

The City can undertake short term borrowing (maximum 5 year terms) under section 175 of the Community Charter. These loans must be of a capital nature and cannot be transferred to long term debt. In order to achieve this Council must pass a resolution authorizing the debt for the project and specifying the principal repayment terms. Part of the application for a loan under this section includes the MFA receiving Council reports discussing the project, and a liability servicing limit certificate. This type of borrowing is not reviewed or approved by the Ministry and does not require elector approval. As of December 31 2016 the City's liability servicing limit is at 30.7% of its maximum limit.

Council are not being asked to make a decision on this matter at this time, rather staff are bringing this funding option forward to Council as an option for consideration should the 300 Block Local Area Improvement process come back with support of the 300 block property owners.

Analysis

Support the proposal:

After much consultation with downtown land owners, the DPA and Community Revitalization Select Committee, staff feels that the proposed project and contribution program proposed is appropriate and consistent with recent revitalization efforts.

The bylaw contains provisions to protect property owners from cost overruns and ensures the levy is reduced if the project is completed under budget. Owners will not pay more if there are cost overruns as their contribution is capped at 25%, and should the completed revitalization work come under budget, the bylaw framework specifically outlines how property owner levies will be reduced. Should the Tender process come back over budget, then reconsideration of this project will be required to adjust contributions and funding mechanisms accordingly and Council direction will be sought if this occurs.

Meetings between staff, DPA representatives and property owners suggest that the proposed project and funding program has been well-received. Property owners and tenants recognize the need to revitalize this area of Downtown Penticton and the proposed infrastructure and streetscape enhancements will provide significant benefits to the appearance of this area of the downtown and the adjacent businesses. The project area will become continuous with the recent Okanagan Lake Waterfront, Martin/Westminster revitalization and the 100-200 Block of Main Street revitalization projects.

The proposed funding program establishes a fair and reasonable program which will allow the City to leverage alternative funding methods to complete the project.

The first phase of the Main Street revitalization project has had significant benefits for the entire community and also for those who visit Penticton. The infrastructure upgrades are required and will provide the

development of our downtown into the future with the levels of services required to achieve the desired densities. Significant interest in the development of sites in the downtown has been seen since 2014, in part to the success of the streetscape and infrastructure revitalization projects. The revenue generated from development in the downtown core will contribute to paying back these capital investment that the city has made through increased taxation. More importantly the new residential density realized in and around the downtown will contribute to increasing the success of the commercial core of our community.

With close to 20% (and increasing) of our community's density living within a 5-10 minute walk of the downtown, the community benefit from this project will positively impact a higher percentage of our community that many other projects Council may consider. If our downtown is not successful, our community is not successful and improving the liveability and amenity of our downtown benefits the entire community. This does not take into account the significant tourist draw that downtown has, making it one of the key postcard features of our community.

For the above reasons, and in accordance with the recommendation from the Community Revitalization Select Committee, staff recommend proceeding with the notification and local area improvement process.

Alternate recommendations

1. That Council refer the application back to staff for further review as specified by Council; or
2. That Council elect not to proceed with the Main Street revitalization project.

Attachments

Attachment A– Letter of Support from Downtown Penticton Association

Attachment B - 300 Block – Main Street Local Area Service Bylaw No. 2017-62

Respectfully submitted,

Anthony Haddad
Director of Development Services

Approvals

Director <i>AH</i>	Chief Administrative Officer PW	CFO <i>JWB</i>
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Attachment A – Letter of Support from Downtown Penticton Association



City of Penticton
171 Main Street
Penticton BC V2A5A9

Letter of Support from the Downtown Penticton Association for the 300 Block Revitalization

To Mayor Jakubeit and Council,

The Downtown Penticton Association is providing this letter of support for the continuation of the 300 block revitalization. The DPA feels very strongly that the vibrancy of the downtown core area must be a funding priority when considering 2018 projects.

The DPA has attached a listing of the 300 block property owners and tenants and it is clear there is a great deal of interest from these business/property owners to continue the revitalization of the 300 block.

The DPA has spoken with these owners and many of them had hoped the 300 block was going to be a 2017 project.

The DPA recognizes the challenges the City has currently with infrastructure issues and appreciates this opportunity to bring forward the position of the DPA's 300 block members and we hope that this letter of support combined with the 300 block property owners interest will provide the possibility to have this request approved.

Thank you for your consideration.

Downtown Penticton Association

The Corporation of the City of Penticton

Bylaw No. 2017-62

A bylaw to establish a local area service and to authorize the construction of sidewalk improvements on the 300 block of Main Street.

WHEREAS Section 211(1)(b) of the *Community Charter* authorizes Council to proceed with a local area service, subject to a petition against by property owners subject to a local area service tax;

AND WHEREAS notice of Council's intention to undertake a local area service under its own initiative has occurred in accordance with Section 213 of the *Community Charter*;

AND WHEREAS fewer than 50% of the property owners representing less than 50% of the total assessed value of the properties subject to the local area service tax described herein have petitioned against the local service tax;

AND WHEREAS the Corporate Officer has determined the sufficiency and validity of every petition against the local area service tax, and certified her determination;

AND WHEREAS the *Community Charter* provides for a part of the cost to be borne by property owners benefitting from a local area service and for the levy and imposition of a local service tax to be imposed on benefitting properties to recover the owners' portion of the costs;

NOW THEREFORE the Municipal Council of the Corporation of the City of Penticton in open meeting assembled ENACTS AS FOLLOWS:

Title

1. This bylaw may be cited for all purposes as the "300 Block – Main Street Local Area Service Bylaw No. 2017-62".

Definitions

2. In this bylaw, unless otherwise stated, the following words and terms shall have the following meanings:

"actual asphalt costs" means the final cost of asphalt paving covering vehicle travel lanes, including raw materials and labour, but does not include post-construction maintenance and operational costs, decorative paving stones and surfacing installed in on-street parking spaces.

"actual owner supported costs" means the difference between actual project costs and actual asphalt and water infrastructure costs, multiplied by 25%.

"actual project cost" means the final cost of the project after construction is complete including engineering, sales taxes and contingencies, but does not include post-construction maintenance and operational costs.

"annual tax rate" means the rate charged annually per meter of frontage as calculated under Section 7 of this bylaw.

“current tax year” means:

- a) the current year; or
- b) if taxes under this bylaw have been paid for the current year, the year following the current year.

When applied in a formula in this bylaw, the current tax year shall be expressed as a number between 2019-2040.

“estimated asphalt and infrastructure costs” means the estimated cost of asphalt paving covering vehicle travel lanes and water infrastructure service upgrades, as determined by the City Engineering Department, including raw materials and labour, but does not include post-construction maintenance and operational costs, decorative paving stones and surfacing installed in on-street parking spaces.

“estimated owner supported costs” means \$298,960; which is the difference between estimated project costs and estimated asphalt and infrastructure costs, multiplied by 25%.

“estimated project cost” means the total estimated project cost as determined by the City Engineering Department prior to construction.

“frontage” means the total frontage of the property fronting the project area.

“interest” means a rate of interest charged annually on an outstanding principle.

“power outlet” means electrical sockets installed on street lighting or other suitable locations intended to provide electricity for street vendors, special events or other activities subject to the approval of the City.

“project area” means the area shown in blue crosshatching on Schedule A of this bylaw.

“total frontage” means the sum of the frontage of all the assessed parcels fronting the project area and for the purpose of this bylaw has a value of 382.703 metres.

Project description

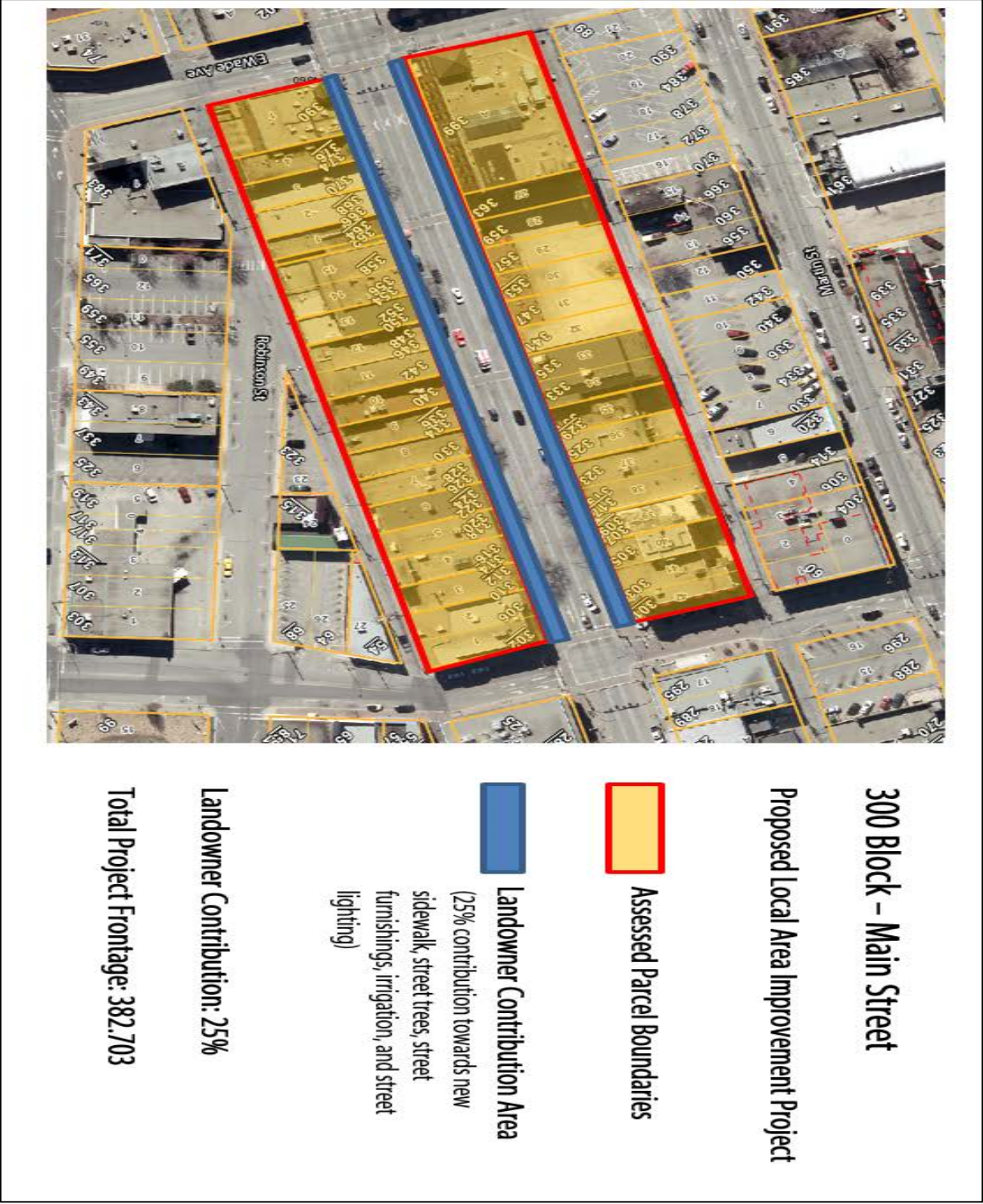
3. The local area service shall be the installation of new sidewalk, street trees, street furnishings, irrigation, and street lighting on the north and south sides of the 300 Block of Main Street as shown in Schedule A.

Project location

4. The boundaries of the local service area are shown in blue within Schedule A of this bylaw.
5. Assessed parcels which shall be subject to the local service tax under this bylaw, are those parcels, within the area shown in heavy red line in Schedule A of this bylaw.

Schedule A

Local Area Service Boundary



Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 295 Abbott Street

File Nos: RZ PL2017-8025
DVP PL2017-8026
& DP PL2017-8027

**Subject: Zoning Amendment Bylaw No. 2017-63
Development Variance Permit PL2017-8026
Development Permit PL2017-8027**

Staff Recommendation

Zoning Amendment

THAT "Zoning Amendment Bylaw No. 2017-63," a bylaw to rezone Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street from RD2 (Duplex Housing: Lane) to RM3 (Medium Density Multiple Housing), be given first reading and forwarded to the October 3, 2017 Public Hearing;

Development Variance Permit

THAT delegations and submissions for "Development Variance Permit PL2017-8026" for Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street, a permit to reduce the minimum interior yard from 4.5m to 1.8m and to reduce the minimum exterior yard from 4.5m to 2.2m, be heard at the October 3, 2017 Public Hearing.

AND THAT Council consider "DVP PL2017-8026" following the adoption of "Zoning Amendment Bylaw No. 2017-63."

Development Permit

THAT Council, subject to adoption of "Zoning Amendment Bylaw No. 2017-63," approve "Development Permit PL2017-8027" for Lot A District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street, a permit that allows for the construction of a four-unit townhouse.

Background

The subject property (Attachment A) is zoned RD2 (Duplex Housing: Lane) and designated by the City's Official Community Plan as HR (High Density Residential). Photos of the sites are included as Attachment D. The subject property is 608m² (6,544ft²) and is currently vacant. A single-family dwelling and garage have been demolished recently. The surrounding properties are primarily zoned RD2 (Duplex Housing: Lane), RM2

(Low Density Multiple Housing) and C5 (Urban Centre Commercial). Surrounding properties are designated by the OCP as HR (High Density Residential).

Proposal

The applicant is proposing to construct a four-unit townhouse. Since the proposed use is not permitted in the RD2 (Duplex Housing: Lane) zone, a rezoning to RM3 (Medium Density Multiple Housing) is required.

Secondly, the applicant is requesting a Development Variance Permit to vary the following sections of Zoning Bylaw No. 2017-08:

- Section 10.9.2.7.i: to reduce the minimum interior yard from 4.5m to 1.8m.
- Section 10.9.2.7.ii: to reduce the minimum exterior yard from 4.5m to 2.2m.

Lastly, the property is located within the High Density Development Permit area and requires approval for the form and character of the townhouse and to address landscaping requirements.

Financial implication

N/A

Technical Review

This application was forwarded to the City’s Technical Planning Committee and reviewed by the Engineering and Public Works Departments. As per City of Penticton Building Bylaw 94-95 section 7.1.5, storm water/drainage is to be maintained on site. Upgrade to the street frontage along Abbott Street (sidewalk) is required at an approximate cost of \$4000. The condition of the lane is adequate but some minor repair may be required during driveway construction. If the requests for the zoning amendment, variances and development permit are supported, BC Building Code and City bylaw provisions, such as height restrictions, will apply.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the rezoning application:

Item	Requirement RM3 zone	Proposed
Maximum Lot Coverage:	50%	43.6%
Maximum Density:	1.6 FAR	0.78 FAR
Minimum Lot Width:	25.0m	16.58m* (see below)
Minimum Lot Area:	1400m ²	608m ² * (see below)
Vehicle Parking:	1 space per dwelling unit + 0.25 per unit for visitors (5 total)	6 spaces

Required Setbacks		
Front yard (east, Abbott Street):	3.0m	4.49m
Rear yard (west, Lane):	6.0m	7.92m
Exterior yard (south, Nanaimo Ave E):	4.5m	2.25m (variance required)
Interior yard (north):	4.5m	1.83m (variance required)
Maximum Building Height:	24.0m	10.5m
Amenity Area:	20m ² per unit (80m ² total)	80m ² +
Other Information:	<p>- The subject property is located within the High Density Development Permit area and the Riparian Assessment Area Development Permit Area, thus development permits are required. The High Density DP is included in this Council report and the Riparian DP will be staff-issued.</p> <p>- <i>*The minimum parcel standards (in terms of width and area) only apply when a new parcel is being created, not through rezoning of an existing parcel.</i></p>	

Analysis

Zoning Amendment

Support "Zoning Amendment Bylaw No. 2017-63"

The site is situated in an area experiencing some densification. The OCP designation for this site is HR (High Density Residential), which supports a four-unit townhouse development. Staff consider that the zoning amendment to allow for the proposed development represents best use of the land for the following reasons:

- The proposal is consistent with the OCP's view that infill residential development is an appropriate method of maximizing the use of land and increasing housing choices for Penticton residents.
- The OCP encourages densification in areas where existing services can accommodate higher densities, which is the case here.
- The proximity to downtown, schools and nearby services encourages more walking and active forms of transportation.
- The current proposal will convert an aging single family dwelling into four units in a time with low vacancy rates.

Staff considers that the design is suitable and consistent with the redevelopment trends in the area. The location of the site and characteristics of the surrounding neighbourhood make it appropriate for residential densification. The number of parking spaces for the proposed development meets the requirements of the zoning bylaw. A four-unit townhouse is able to fit on the subject property with buffering from adjacent properties. Given the above, staff recommends that Council support "Zoning Amendment Bylaw No. 2017-63" and forward the application to the October 3, 2017 Public Hearing for comments from the public.

Deny/Refer Zoning Amendment

Council may consider that the proposed amendment is not suitable for this site and that a duplex would be better suited for the property. If this is the case, Council should deny the bylaw amendment. Alternatively, Council may wish to refer the matter back to staff to work with the applicant with any direction that Council considers appropriate.

Development Variance Permit

Support Variances

When considering a variance to a City bylaw, staff encourages Council to be mindful of any constraints on the property that makes following the bylaw difficult or impossible; whether approval of the variance would cause a negative impact on neighbouring properties and if the variance request is reasonable.

Section 10.9.2.7.i: to reduce the minimum interior yard from 4.5m to 1.80m.

- In the RM3 zone, the requirement for an interior yard setback is 4.5m. The applicant is proposing to reduce the north interior yard to 1.8m (see Attachment E). Council has recently approved several interior yard variances to 1.5m for townhouse developments, based on the developments minimizing their impact on the adjacent property through design. The applicant has provided the required number of trees and shrubs in the buffer area to help to reduce the impact on the neighbouring property. The height of the building along the north side is approximately 9.64m which is much less than the 24.0m maximum in the RM3 zone which will limit the impact between the neighbouring duplex and the proposed townhouse. Under the current RD2 (Duplex Housing: Lane) zoning, a developer could construct a duplex with suites with an interior yard setback of 1.5m. For the reasons above, it is reasonable to support the variance.

Section 10.9.2.7.ii: to reduce the minimum exterior yard from 4.5m to 2.2m.

- In the RM3 zone, the requirement for an exterior yard setback is 4.5m. The boulevard area on the south end of the subject property along Nanaimo Avenue East is approximately 4.5m wide, thus the building will sit at 6.7m from the sidewalk. Staff feel that this is an adequate setback from the street and approval of the variance is unlikely to negatively impact the pedestrian experience and visual impacts along Nanaimo Avenue East.

Staff consider that the variances requested will have little impact on the neighbourhood and recommend that Council, after hearing from any affected neighbours, support the application.

Deny/Refer Variances

Council may consider that the proposed variances will negatively affect the property to the north. Council may consider requiring the developer to reduce the size of the building to increase the size of the setbacks. If this is the case, Council should deny the variances.

Development Permit

Support Development Permit

The subject property is located within the High Density Development Permit Area. As a consequence, a Development Permit is required. Although this Development Permit can be staff-issued, it has been included in this report for Council's decision in order to streamline the approvals process. The Development Permit Area guidelines are intended to address the form and character of new multi-family buildings and ensure landscaping requirements are met. Staff feel that the proposed development meets the intent of the Development Permit Guidelines as explained below:

- The entrances have a street orientation, creating an aesthetically pleasing connection to the street.
- The landscape plan features a variety of different plants, flowers and trees.
- The garbage and parking areas are screened by landscaping.
- The developer has provided the adequate number of trees and shrubs in the landscape buffer area on the north side of the property.

Staff consider that the plans submitted meet the intent of the DPA guidelines and generally conform to the zoning bylaw. As such, staff recommend that Council approve the Development Permit application.

Deny/Refer Development Permit

Council may consider that the proposal does not reflect the current built form of the neighbourhood, or that the development should soften the impact on neighbouring properties. If this is the case, Council should deny the permit.

Alternate Recommendations

1. THAT Council deny first reading of "Zoning Amendment Bylaw No. 2017-63" and deny support for DVP PL2017-8026 & DP PL2017-8027.
2. THAT Council give first reading to "Zoning Amendment Bylaw No. 2017-63" but deny support for DVP PL2017-8026 & DP PL2017-8027.
3. THAT Council give first reading to "Zoning Amendment Bylaw No. 2017-63" and support DVP PL2017-8026 & DP PL2017-8027 with conditions that Council feels are appropriate.

Attachments

- Attachment A: Subject Property Location Map
- Attachment B: Zoning Map
- Attachment C: OCP Map
- Attachment D: Photos of Subject Property
- Attachment E: Site Plan
- Attachment F: Elevations
- Attachment G: Landscape Plan
- Attachment H: Letter of Intent
- Attachment I: Development Variance Permit PL2017-8026
- Attachment J: Development Permit PL2017-8027
- Attachment K: Zoning Amendment Bylaw No. 2017-63

Respectfully submitted,

Randy Houle
Planner I
Approvals

DDS	CAO
<i>AH</i>	PW

Attachment A – Subject Property Location Map



Figure 1: Subject Property Location Map

Attachment B – Zoning Map

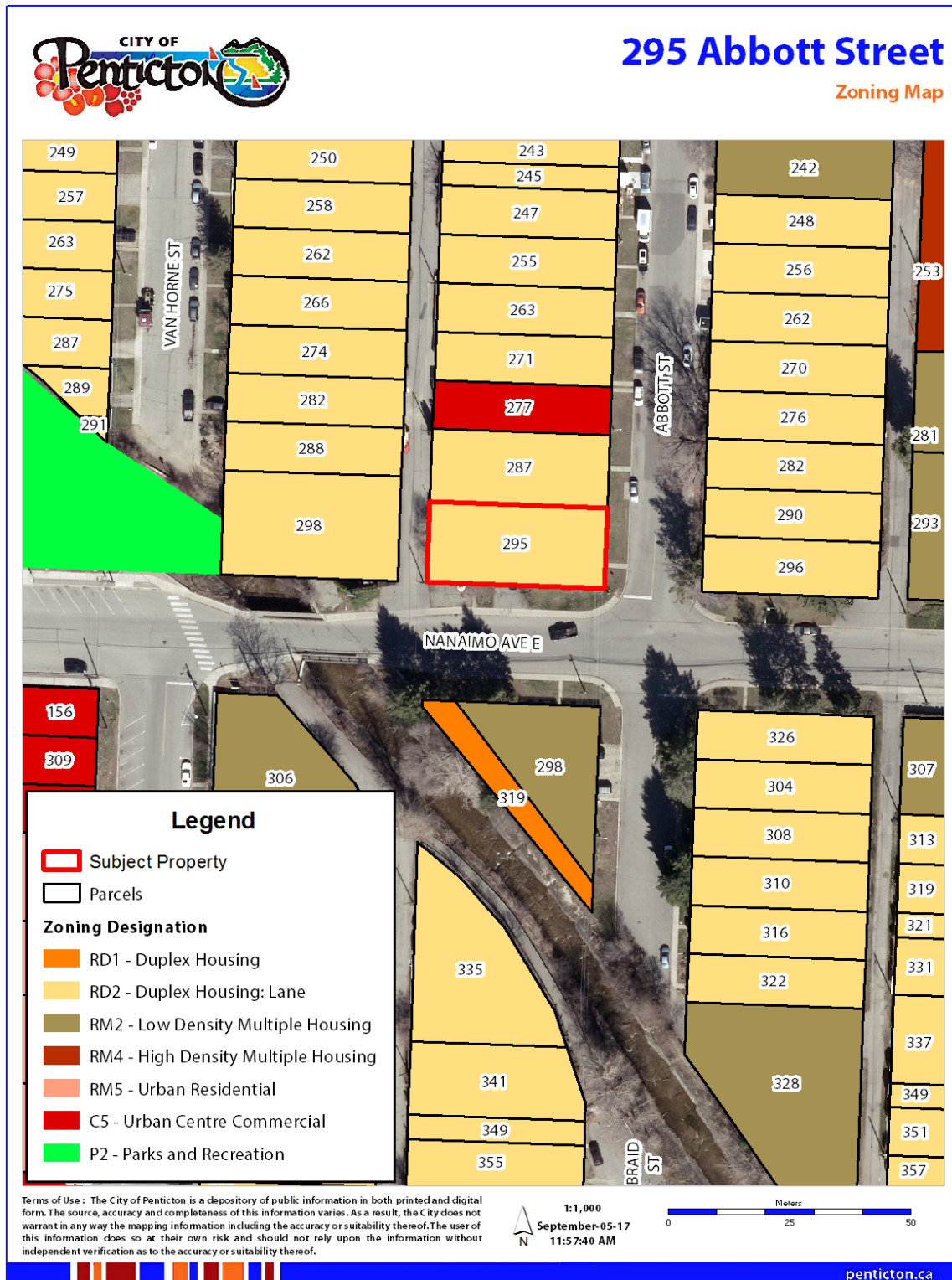


Figure 2: Zoning Map

Attachment C- OCP Map

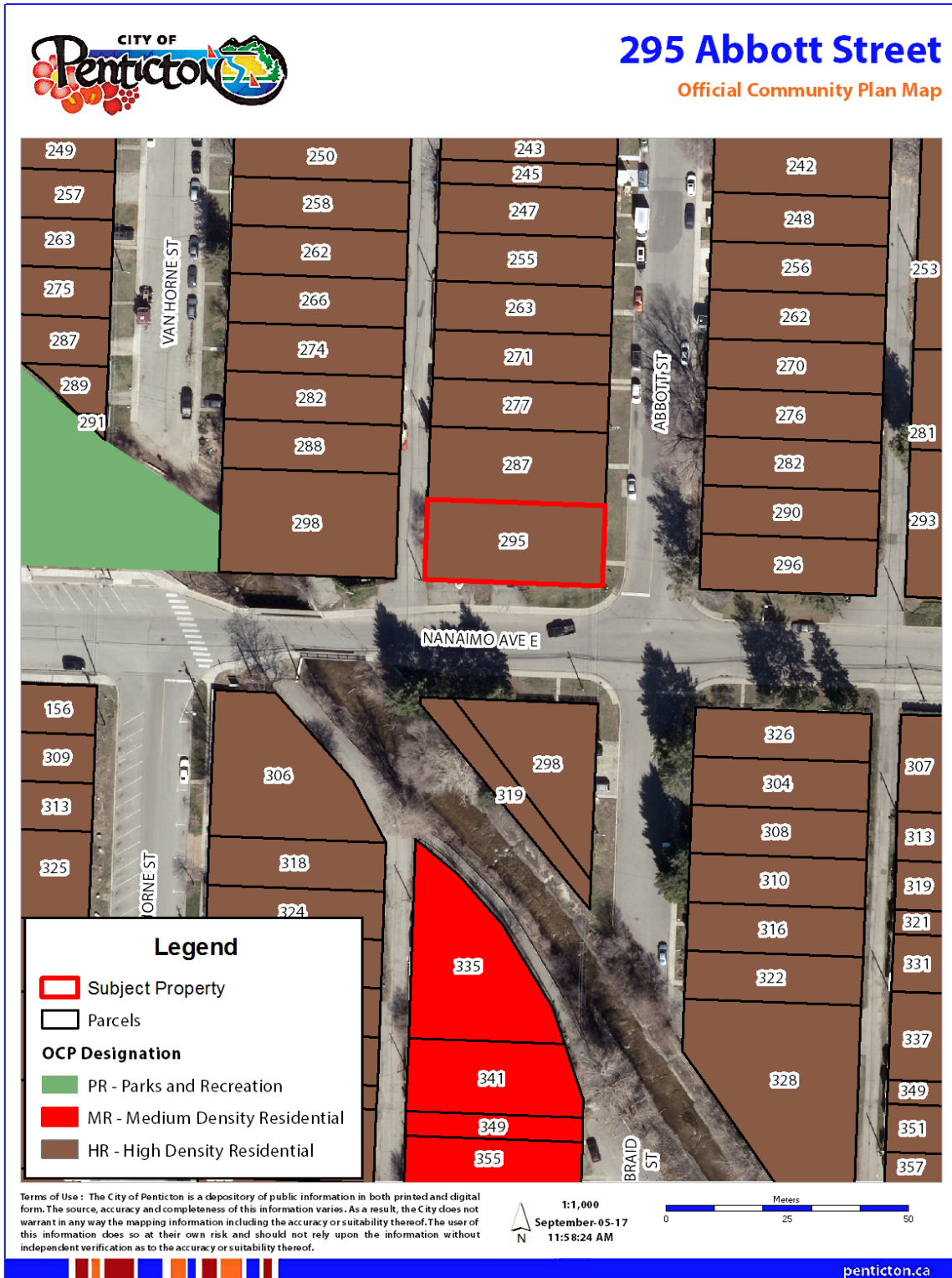


Figure 3: OCP Map

Attachment D – Photos of Subject Property



Figure 4: South View (from Nanaimo Avenue East)



Figure 5: East View (from Abbott Street)

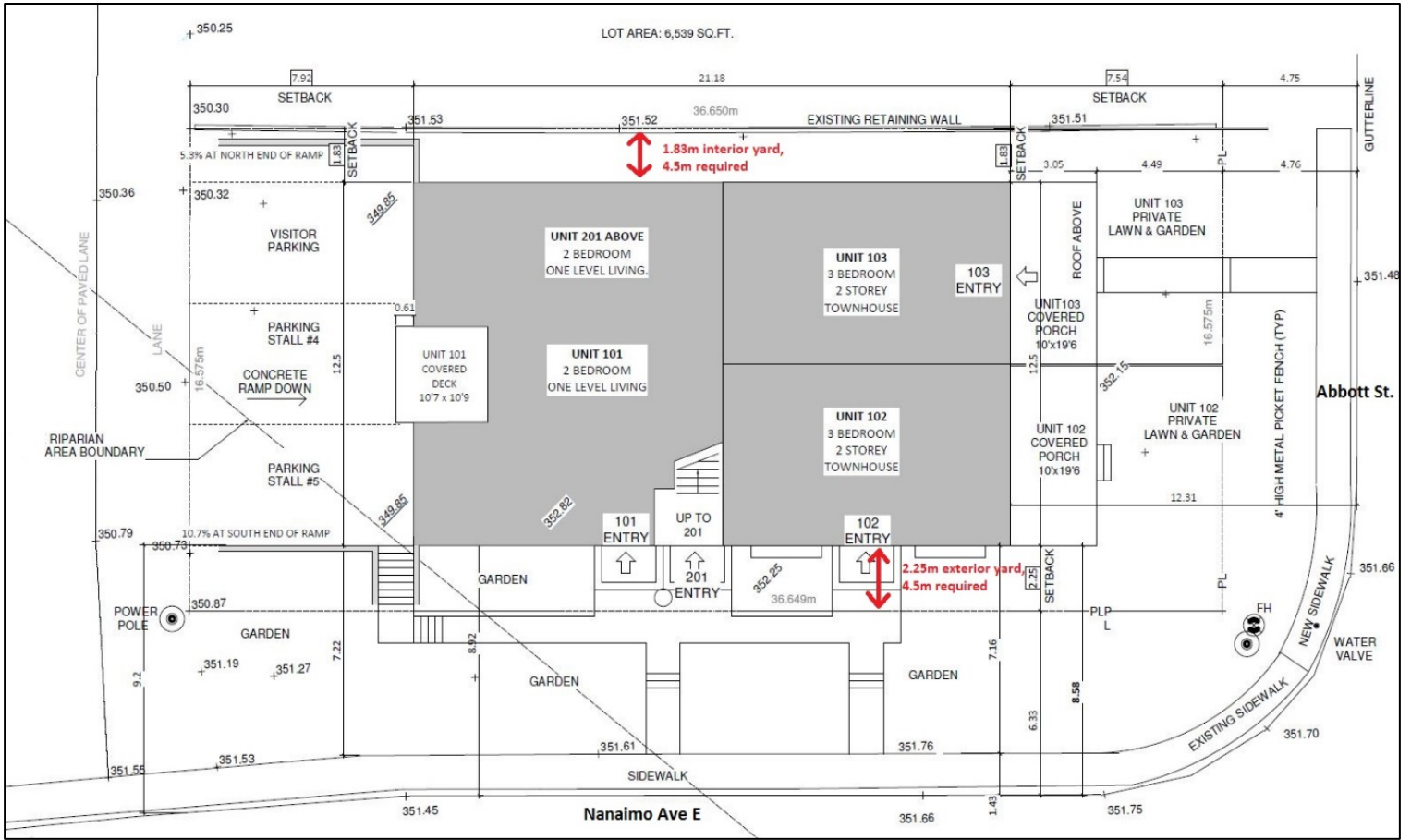


Figure 6: West View (from lane)



Figure 7: East View Showing Neighbouring Property

Attachment E - Site Plan



Attachment F – Elevations



Figure 9: South Elevation (from Nanaimo Avenue East)



Figure 10: East Elevation (from Abbott Street)



Figure 11: West Elevation (from lane)

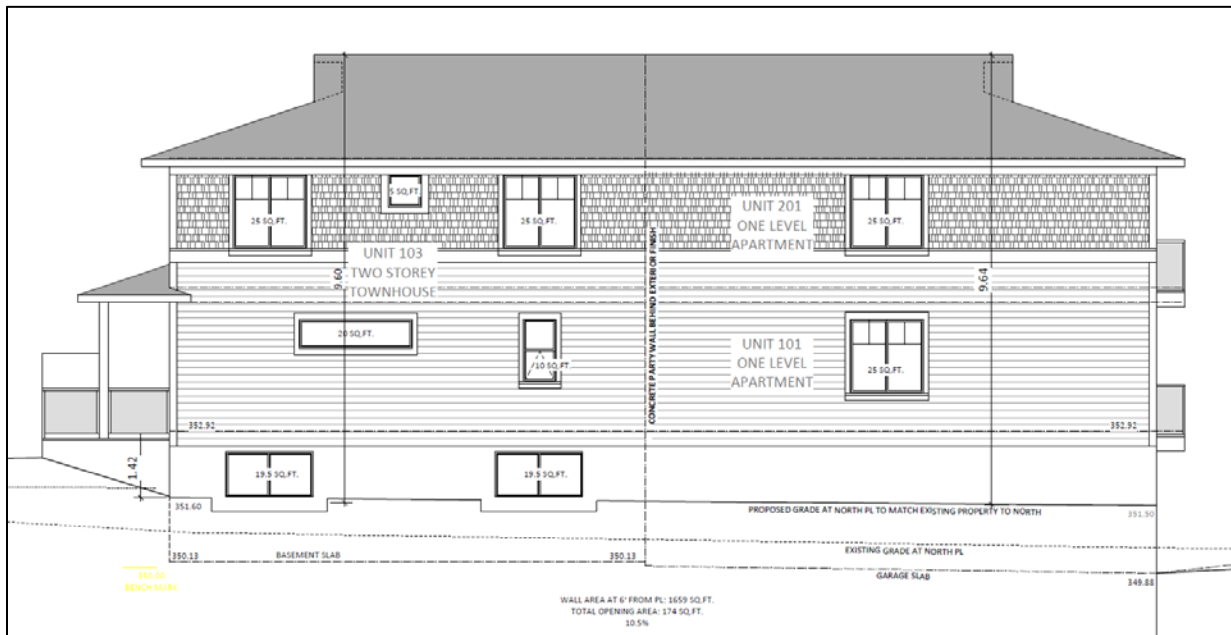


Figure 12: North Elevation

Attachment G – Landscape Plan

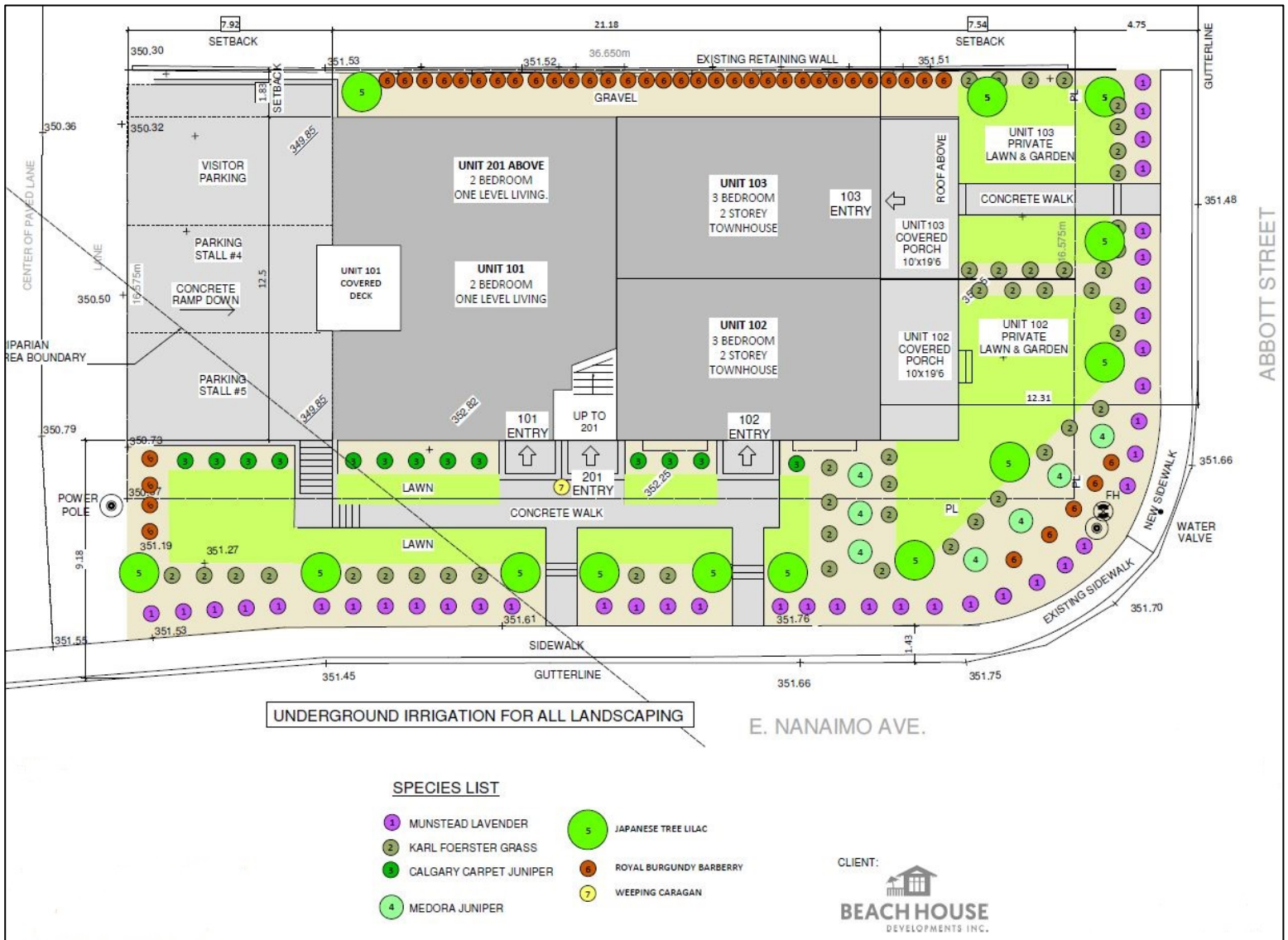


Figure 13: Landscape Plan

Attachment H- Letter of Intent

BURGART PROJECTS Inc.

SUITE 389
113 – 437 MARTIN STREET
PENTICTON, BC
V2A 5L1
778 931 2887
info@burgartprojects .com



295 Abbott Street

Development Permit Application

Letter of Intent

July 24, 2017

Attention: City of Penticton – Planning Department

The intent of this project is to build a new four unit residential building (four-plex). The design reflects the following objectives:

- a) All the unit entry doors face the street (E. Nanaimo or Abbott). No unit entries face the lane or the north interior side yard.
- b) Functional, semi-private exterior space for each unit.
- c) Safe, secure, convenient parking.

The proposed exterior of the building will be a combination of light grey 'Hardi' siding and side wall shingles with white windows and white trim. The roof will be a dark grey asphalt shingle. The metal gutters and railings will be black.

The proposed four-plex will have two side-by-side townhouses; one townhouse will have the main floor entry facing Abbott Street and one townhouse will have its entry facing East Nanaimo Ave. Adjacent to the townhouse units on the west end of the building there will be two single level condominium 'apartment' units – one above the other. Each 'apartment' will have its own separate entrance at grade facing East Nanaimo Avenue. There are no common/shared entries or other common interior spaces in the building.

On-site parking will be provided off the lane at the rear of the property. There will be three large 'drive-under' single car garages. Three of the units in the building will have a separate private entrance to a garage. Three additional parking spaces are provided on site for a total of six parking stalls.

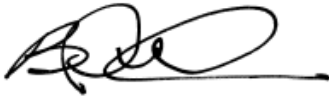
The project will feature irrigated landscaping on two sides of the building wrapping the East Nanaimo and Abbott Street corner. Plant species will be chosen to be colourful and the least attractive to deer.

We are requesting two Zoning Bylaw variances:

- 1) Interior side yard – from the required 4.50m to 1.83m from building to the north property line.
- 2) Exterior side yard – from the required 6.00m to 2.25m from the building to the south property line. Due to the wide city boulevard, the proposed building will set back 8.58m (28'-2") from the flanking street on the south side (E. Nanaimo Ave).

Although the economics of the proposed project is constrained by the typical factors – location, size and form (four-plex), as the designers and owners, our intention is to build a high quality project in the downtown area. We are excited by the long term prospects for the city of Penticton and for the potential re-development of the downtown area. We look forward to proceeding with this project and the completion of many more in the future.

Regards,



Brendan Burgart

Burgart Projects Inc.

President

Figure 14: Letter of Intent

Attachment I - Development Variance Permit PL2017-8026



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

Development Variance Permit

Permit Number: DVP PL2017-8026

Name:
Address:

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 202 Similkameen Division Yale District Plan KAP47803
Civic: 295 Abbott Street
PID: 017-869-765

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2017-08 to allow for the construction of a four-unit townhouse as shown in the plans attached as Schedule A.
 - Section 10.9.2.7.i: to reduce the minimum interior yard from 4.5m to 1.80m.
 - Section 10.9.2.7.ii: to reduce the minimum exterior yard from 4.5m to 2.2m.

General Conditions

4. In accordance with Section 501 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 504 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 3 day of October, 2017

Issued this ____ day of _____, 2017

Dana Schmidt,
Corporate Officer

Attachment J - Development Permit PL2017-8027

	<p>City of Penticton 171 Main St Penticton B.C. V2A 5A9 www.penticton.ca ask@penticton.ca</p>
<h3>Development Permit</h3>	
Permit Number: DP PL2017-8027	
Name: Address:	
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 202 Similkameen Division Yale District Plan KAP47803 Civic: 295 Abbott Street PID: 017-869-765	
3. This permit has been issued in accordance with Section 489 of the <i>Local Government Act</i> , to permit the construction of a four-unit townhouse, as shown in the plans attached in Schedule A.	
4. In accordance with Section 502 of the <i>Local Government Act</i> a deposit or irrevocable letter of credit, in the amount of \$7853.0 must be deposited prior to, or in conjunction with, an application for a building permit for the development authorized by this permit. The City may apply all or part of the above-noted security in accordance with Section 502(2.1) of the <i>Local Government Act</i> , to undertake works or other activities required to: a. correct an unsafe condition that has resulted from a contravention of this permit, b. satisfy the landscaping requirements of this permit as shown in Schedule A or otherwise required by this permit, or c. repair damage to the natural environment that has resulted from a contravention of this permit.	
5. The holder of this permit shall be eligible for a refund of the security described under Condition 5 only if: a. the permit has lapsed as described under Condition 8, or b. a completion certificate has been issued by the Building Inspection Department and the Director of Development Services is satisfied that the conditions of this permit have been met.	
6. Upon completion of the development authorized by this permit, an application for release of securities must be submitted to the Planning Department. Staff may carry out inspections of the development to ensure the conditions of this permit have been met. Inspection fees may be withheld from the security as follows:	

1 st Inspection	No fee
2 nd Inspection	\$50
3 rd Inspection	\$100
4 th Inspection or additional inspections	\$200

General Conditions

7. In accordance with Section 501(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.
8. In accordance with Section 504 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.
9. **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.**
10. 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.
11. 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 3 day of October, 2017

Issued this ____ day of _____, 2017

 Dana Schmidt,
 Corporate Officer

Bylaw No. 2017-63

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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. 2017-63".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot A, District Lot 202 Similkameen Division Yale District Plan KAP47803, located at 295 Abbott Street from RD2 (Duplex Housing: Lane) to RM3 (Medium Density Multiple Housing).

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

READ A FIRST time this	day of	, 2017
A PUBLIC HEARING was held this	day of	, 2017
READ A SECOND time this	day of	, 2017
READ A THIRD time this	day of	, 2017
ADOPTED this	day of	, 2017

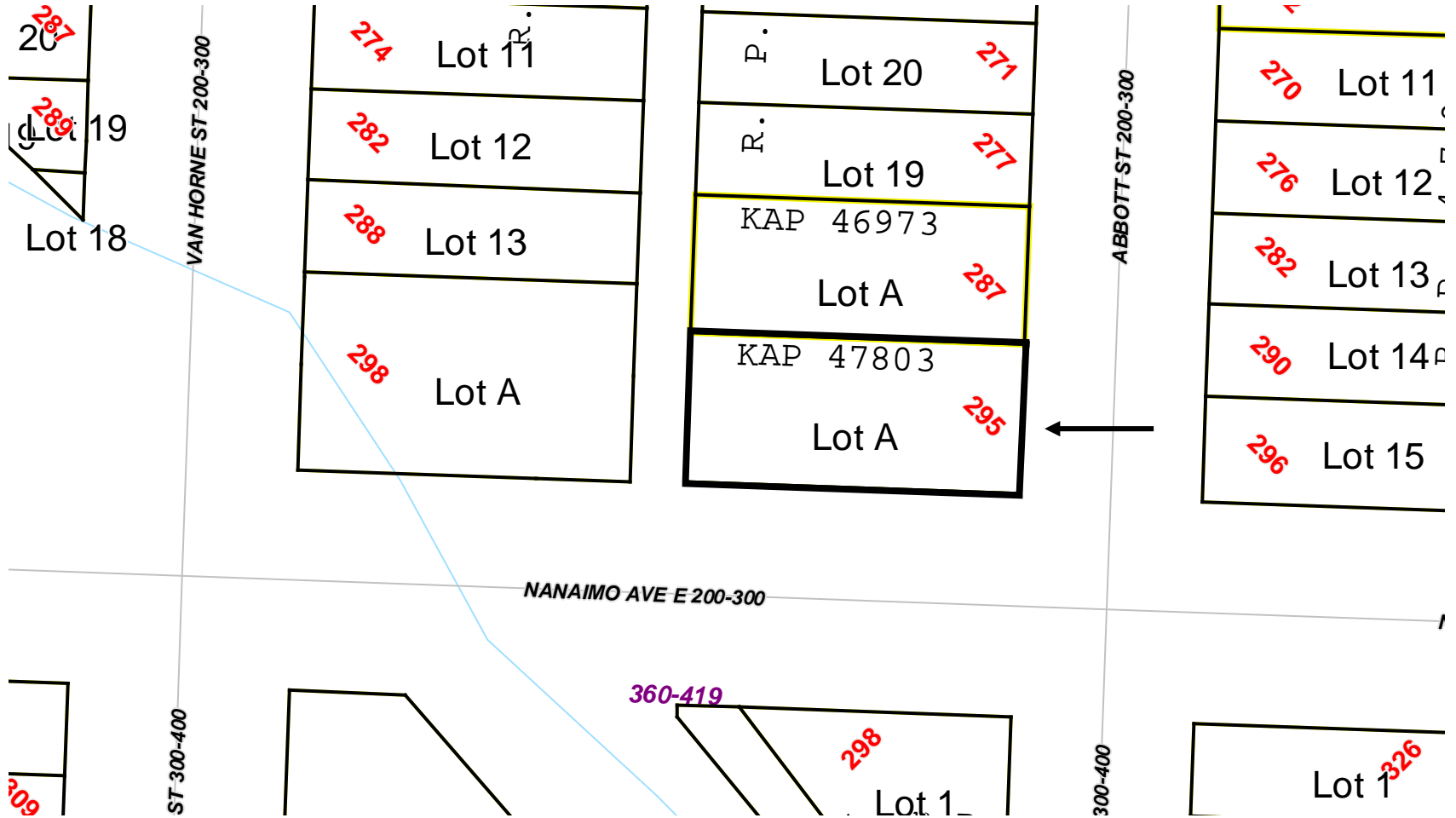
Notice of intention to proceed with this bylaw was published on the __ day of ____, 2017 and the __ day of ____, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

295 Abbott Street

Rezone from RD2 (Duplex Housing: Lane) to RM3 (Medium Density Multiple Housing)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2017-63

Date: _____

Corporate Officer: _____

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 168 Kirkpatrick Avenue
Subject: **Zoning Amendment Bylaw No. 2017-64**

File No: RZ PL2017-8030

Staff Recommendation

THAT "Zoning Amendment Bylaw No. 2017-64," being a bylaw to amend City of Penticton Zoning Bylaw No. 2017-08 by adding Section 10.1.3.7: "In the case of Lot 1 District Lot 116 SDYD Plan 19512 Except Plan 29643, located at 168 Kirkpatrick Avenue, a Bed and Breakfast Home shall be permitted," be given first reading and forwarded to the October 3, 2017 Public Hearing.

Strategic priority objective

N/A

Background

The subject property (Attachment A) is zoned R1 (Large Lot Residential) and designated by the City's Official Community Plan (OCP) as LR (Low Density Residential). Photos of the site are included as Attachment D. The lot is approximately 905m² (9741ft²) in area. Surrounding properties are primarily zoned R1 (Large Lot Residential) and RD2 (Duplex Housing: Lane) and are designated by the OCP as LR (Low Density Residential).

For the past 20 years, the applicants have operated a six-bedroom assisted living facility for seniors.

Proposal

The applicant is proposing to convert the assisted living facility to a bed and breakfast home with 4 sleeping units.

Financial implication

N/A

Technical Review

This application was forwarded to the City's Technical Planning Committee and reviewed by the Engineering and Public Works Departments. Building code requirements for the proposed bed-and-breakfast home were forwarded to the applicant. If the request for the zoning amendment is supported, BC Building Code and City bylaw provisions for bed-and-breakfast homes, will apply.

Analysis

Zoning Amendment

Support "Zoning Amendment Bylaw No. 2017-64"

The site is situated in an area close to the mall and major transportation routes which is a benefit to the travelling public. While commercial in nature, a bed-and-breakfast is considered a residential use, because the proponent lives on site and maintains the house as a residence. This is why there is a limitation on B&Bs to a maximum of four rooms. Over four rooms begins to cross the threshold into a commercial use with additional required staff and a commercial parking lot. In this case, there are no visible changes to the house proposed. The character of the area is maintained.

The on-site parking requirements for a bed-and-breakfast home is one per bedroom to a maximum of three, plus one for the corresponding dwelling unit. In this case, 4 on-site parking spaces are required. As shown in Attachment E, six on-site parking spaces are provided. It is anticipated that the owners will park off the lane with the guests parking in front. The width of the driveway is 5.6m which is very close to the minimum width of 6.0m for two side-by-side parking stalls. Thus there is an opportunity for two smaller cars to park beside each other instead of tandem park. Additionally, there is space for 2 on-street parking spaces in front of the residence.

For the past twenty years, the applicant has operated a successful assisted living facility for seniors while building a positive relationship with the neighbours. As part of the application process, staff recommended that the applicants speak with the adjacent neighbours about the proposed bed-and-breakfast home. The applicants have provided a public consultation map showing the properties consulted (Attachment H). Letters of support have been submitted and included as Attachment I. In a bed-and-breakfast home, the operator must reside in the dwelling, which will help to limit the negative impacts on the neighbourhood pertaining to noise.

Section 7.2 of the Zoning Bylaw has guidelines for Bed-and-breakfast homes that must be followed:

- 7.2.1 A bed and breakfast home, where permitted in a zone shall only be operated as an accessory use within a single detached dwelling, with a maximum 4 sleeping units with accommodation for a maximum of two (2) guests per sleeping unit.
- 7.2.2 A bed and breakfast home shall not change the residential character or external appearance of the dwelling involved.
- 7.2.3 The licensed operator of a bed and breakfast home must reside in the dwelling in which the bed and breakfast operation is located.

- 7.2.4 A bed and breakfast home that has only one (1) sleeping unit for accommodating guests shall be considered as a minor home occupation.

Given the above, staff recommends that Council support "Zoning Amendment Bylaw No. 2017-64" and forward the application to the October 3, 2017 Public Hearing for comments from the public.

Deny/Refer Zoning Amendment

Council may consider that the proposed amendment is not suitable for this site. If this is the case, Council should deny the bylaw amendment. Alternatively, Council may wish to refer the matter back to staff to work with the applicant with any direction that Council considers appropriate.

Alternate Recommendations

1. THAT Council deny first reading of "Zoning Amendment Bylaw No. 2017-64."


Attachments

- Attachment A: Subject Property Location Map
- Attachment B: Zoning Map
- Attachment C: OCP Map
- Attachment D: Photos of Subject Property
- Attachment E: Site Plan
- Attachment F: Letter of Intent
- Attachment G: Zoning Amendment Bylaw No. 2017-64
- Attachment H: Applicant's Consultation Map
- Attachment I: Letters of Support

Respectfully submitted,

Randy Houle
Planner I

Approvals

DDS	CAO
	PW

Attachment A – Subject Property Location Map

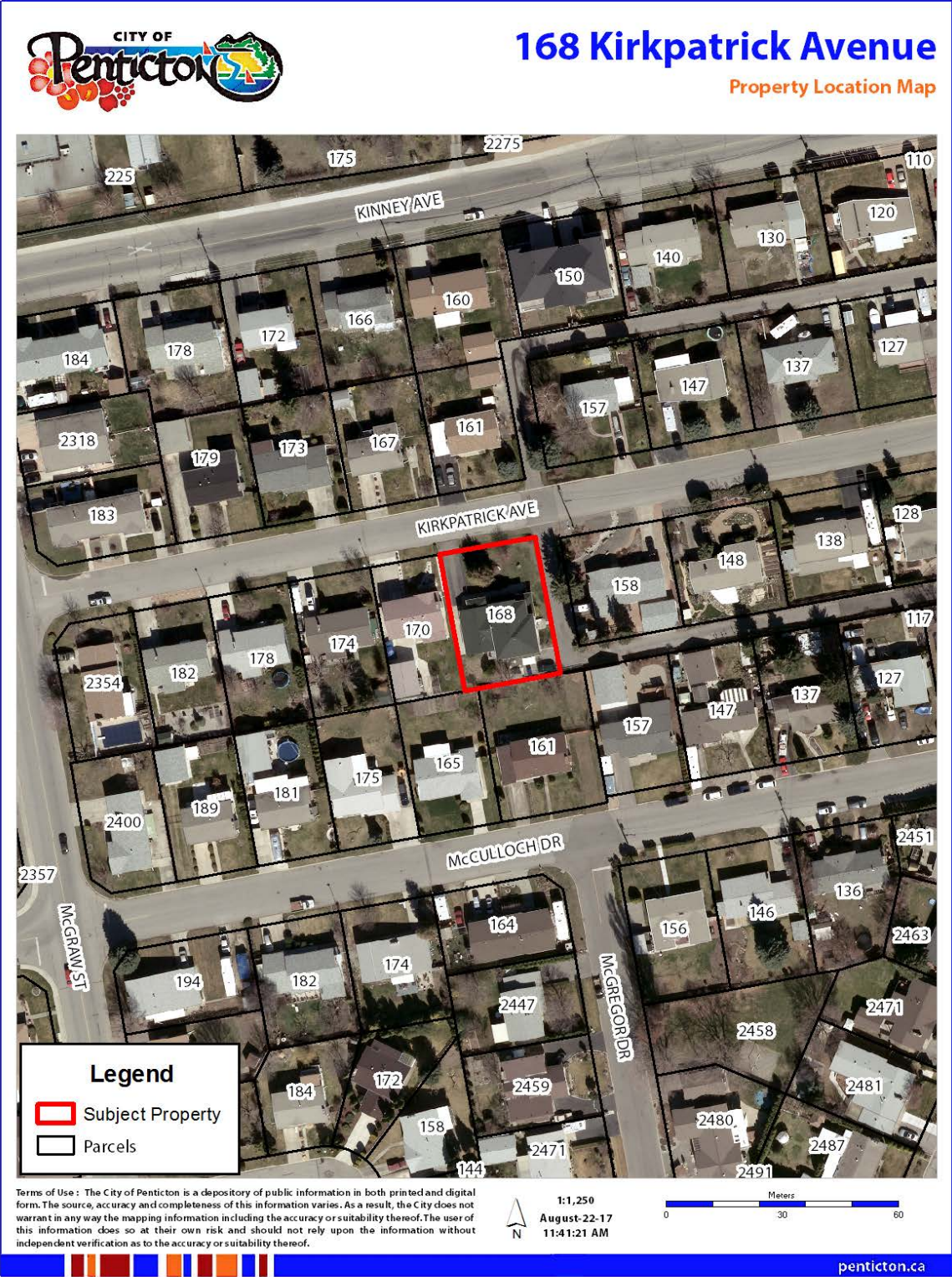


Figure 1: Subject Property Location Map

Attachment B – Zoning Map

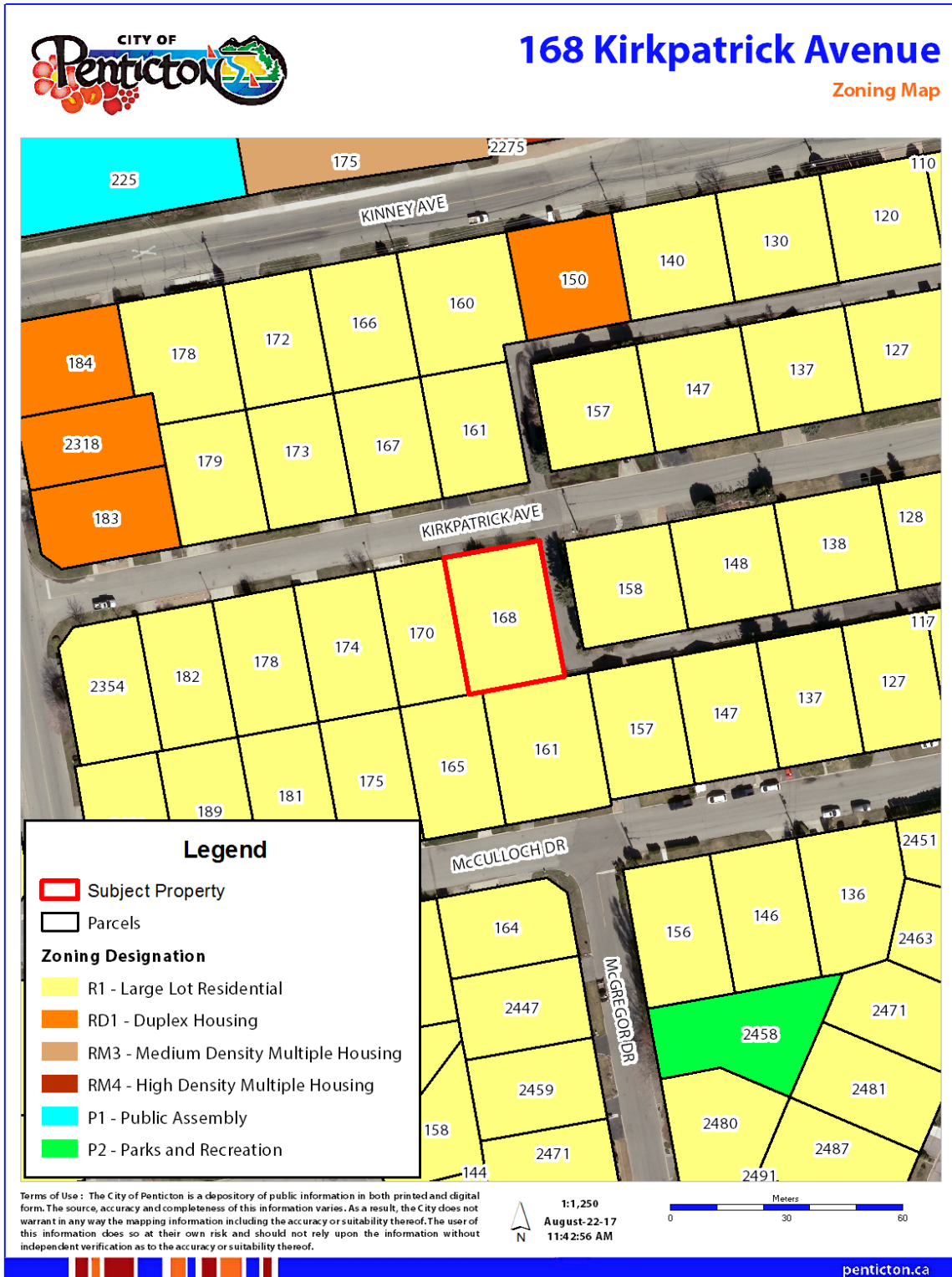


Figure 2: Zoning Map

Attachment C- OCP Map



Figure 3: OCP Map

Attachment D – Photos of Subject Property



Figure 4: North View (from Kirkpatrick Avenue)



Figure 5: East View (from lane)

Attachment E - Site Plan

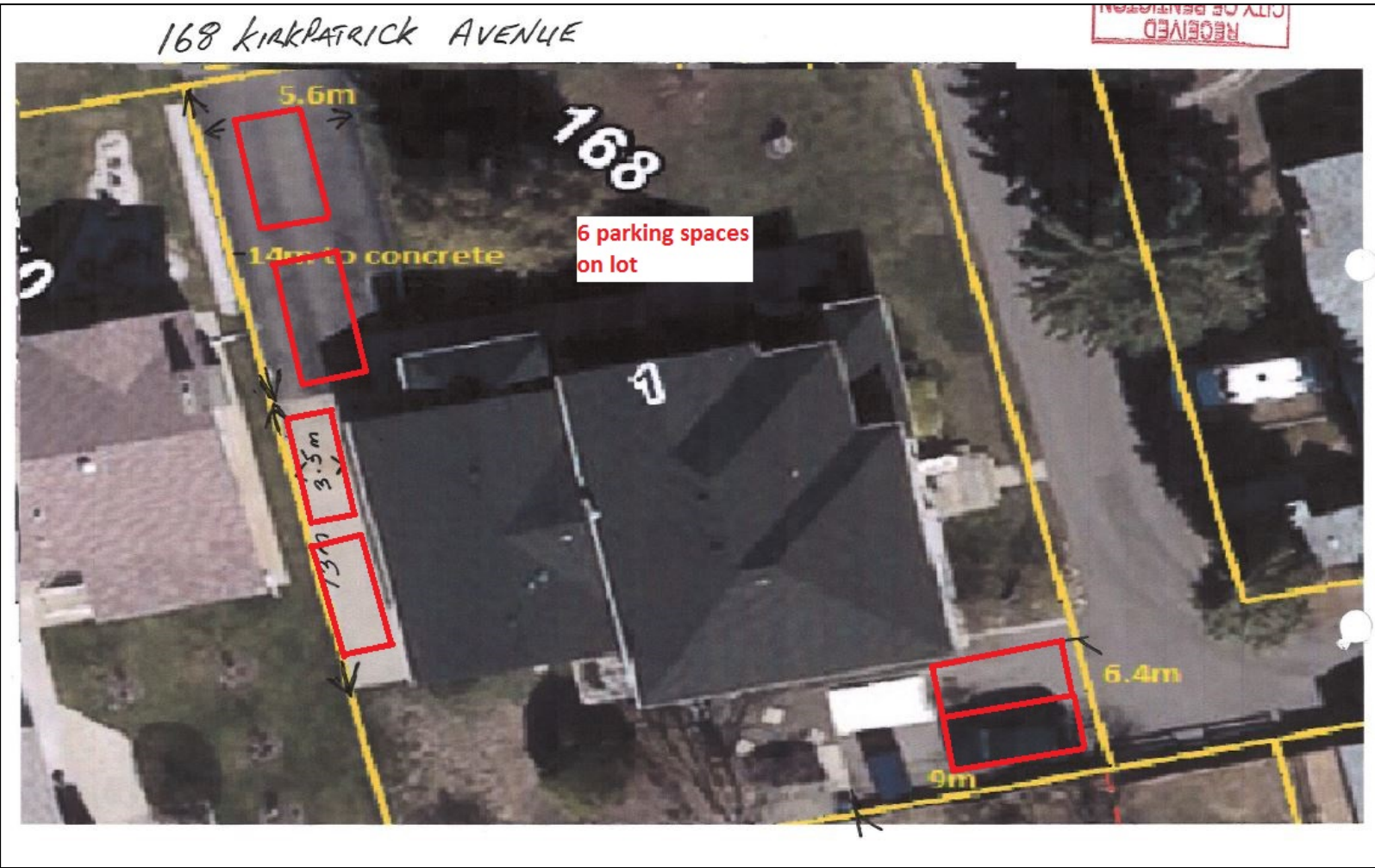


Figure 6: Site Plan

Attachment F – Letter of Intent

28th July 2017,

To Penticton City council and staff

My wife and I have been operating Pentoka Companion Care, an Assisted Living facility for 6 seniors, at 168 Kirkpatrick Avenue for the past 20 years. We feel it is time for a change and would like you to consider rezoning our property to allow us to operate a Bed and Breakfast home.

We live in the upper floor suite of our home and have a separate kitchen on the lower proposed B&B floor (this kitchen is food service approved and permitted through interior health) Our home has a fire suppression sprinkler system throughout. We are hoping that with these existing facilities and precautions we may be able, with your support, to utilize 4 of the bedrooms with ensuite washrooms for our Bed and Breakfast home.

The exterior of our home does not need to be changed and we have ample room to accommodate any required parking.

We have informed our surrounding neighbours of our intentions.

We thank you for your consideration of our application.

Yours faithfully,

David and Sandy Lusted.

Figure 7: Letter of Intent

Attachment G – Applicant’s Consultation Map



Figure 7: Letter of Intent

Attachment I – Letters of Support

THIS IS THE LETTER THAT WE PUT IN ALL R
NEIGHBOURS MAIL BOXES.

ENCLOSED ARE THE GENERIC LETTERS OF
SUPPORT SIGNED BY IMMEDIATE NEIGHBOURS
& SUPPORTIVE FRIENDS .

Sandy and I are considering a change of use for our home. We have been caring for seniors now for 20 years and feel it is time for a change to free up some time for our family and ourselves.

We are applying to the city for a site specific rezoning to allow us to operate a bed and breakfast home. The zoning on our property will not actually change but "allowable use" will be attached to our lot.

Therefore, we are writing this letter to inform our friends and neighbours of our intentions and would appreciate any support you would like to give to assist us in the application process.

If you have any questions or concerns, or would be willing to write a letter/email of support to the city, you can contact me anytime on my phone (250) 488 4914 or my email dalus52@hotmail.com.

Sincerely,

07th September 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely

Wendy and Willy Schweizer
148 Kirkpatrick Avenue

*J. Wendy & Willy Schweizer
148 Kirkpatrick Ave
Penticton B.C
V2A 3P5*

07th September 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely

Handwritten signatures of Carol and Larry Sherstobitoff. The signature for Carol is written in cursive and appears to be 'C. Sherstobitoff'. The signature for Larry is also in cursive and appears to be 'L. Sherstobitoff'.

Carol and Larry Sherstobitoff

157 Kirkpatrick Avenue

07th September 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely



Ila and Gordon Sherwin

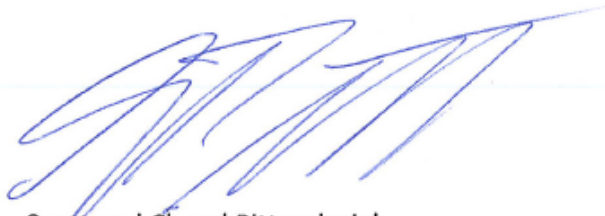
158 Kirkpatrick Avenue

31st July 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely

A handwritten signature in blue ink, appearing to be 'S. Pittendreigh', written over a horizontal line.

Scott and Cheryl Pittendreigh

161 Kirkpatrick Avenue

07th September 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely

A handwritten signature in black ink, appearing to read 'Rui Pontess', with a long horizontal flourish extending to the right.

Rui Pontess

170 Kirkpatrick Avenue

07th September 2017

To Penticton Council and Staff,

We are writing this letter in support of David and Sandy Lusted's application for re-zoning of their property, 168 Kirkpatrick Avenue, to allow for Bed and Breakfast Home use.

Sincerely

A handwritten signature in black ink, appearing to read "Patrick B. Smith". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Cindy and Patrick Smith

174 Kirkpatrick Avenue

Bylaw No. 2017-64

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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. 2017-64".

2. Amendment:

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Add Section 10.1.3.7: "In the case of Lot 1, District Lot 116 SDYD Plan 19512 Except Plan 29643, located at 168 Kirkpatrick Avenue, a Bed and Breakfast Home shall be permitted."

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

READ A FIRST time this	day of	, 2017
A PUBLIC HEARING was held this	day of	, 2017
READ A SECOND time this	day of	, 2017
READ A THIRD time this	day of	, 2017
RECEIVED the approval of the Ministry of Transportation on the	day of	, 2017
ADOPTED this	day of	, 2017

Notice of intention to proceed with this bylaw was published on the __ day of ____, 2017 and the __ day of ____, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

<p>Approved pursuant to section 52(3)(a) of the <i>Transportation Act</i> this _____ day of _____, 2017</p> <p>_____</p> <p>for Minister of Transportation & Infrastructure</p>
--

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Council Report

penticton.ca

Date: September 19, 2017
To: Peter Weeber, Chief Administrative Officer
From: Audrey Tanguay, Senior Planner
Address: 259 Backstreet Boulevard
Subject: **Development Permit PL2017-7955**

File No: DP PL2017-7955

Staff Recommendation

THAT Council approve DP PL2017-7955, a permit to allow for the construction of a four (4) storey building on *Lot A District Lot 202, Similkameen Division Yale District, Plan KAP49910* located at 259 Backstreet Boulevard;

AND THAT Council accept compensation for the removal of two City trees and 2:1 replacement as per the City Tree Protection Bylaw No. 2011-26.

Strategic priority objective

Approval of the subject application is in support of creating a more affordable community, in line with the strategic pillar of creating a livable community. The subject development will also contribute to the revitalization of the downtown by adding 40 new households into the downtown core.

Background

The subject property (Attachment 'A') is currently designated in the Official Community Plan 2002-20 (OCP) as DC (Downtown Commercial) and is also zoned C5 (Urban Centre Commercial) in the City's Zoning Bylaw No. 2017-08. Photos of the site are included as Attachment 'D'. This proposal includes one parcel of land directly behind Main Street. The subject property is currently vacant but is used as a monthly rental parking lot. The subject site is 2,051.75m² (0.507 acre) in size. All the properties along Backstreet Boulevard are designated Downtown Commercial (DC) by the City's Official Community Plan.

Proposal

The applicant is requesting a Development Permit approval to construct a 4 storey mixed use residential and commercial building. The proposed building is four-storeys in height and features 40 rental units with one level at grade parking. The unit mix features 30% one bedroom and 70 % two bedroom units. The proposed building contains a main level of 27 parking stalls; residential access alongside two commercial retail spaces totaling 694m². The building also features a ground floor outdoor play family area and indoor amenity room.

The developer has also agreed to bring an additional co-operative vehicle to the downtown area. This is the fourth initiative in the downtown core to utilize the car share program. Under the zoning bylaw, the required number of parking spaces may be reduced by a maximum of six (6) spaces if the building provides one co-operative vehicle and one co-operative vehicle parking space.

Affordable housing

The applicant, EllisDon, is providing a turn-key solution to BC Housing in response to their Provincial Investment in Affordable Housing. After consultation and review of the needs for affordable housing in Penticton, EllisDon offered BC Housing a turn-key solution, where EllisDon acts as the developer and contractor. EllisDon has since then collaborated with BC Housing throughout the design and pre-construction process to create the optimal long term solution for the Penticton community. Once construction is complete, BC Housing will purchase the development from EllisDon and work with a social non-profit group to operate the 40 residential units rental section and the two commercial retail units located on the ground floor. This proposal is considered to be a significant contribution to the affordable housing stock within the City of Penticton.

Project Specifications

The following table outlines the proposed development statistics on the plans submitted with the application:

Development Statistics

Item	Requirement C5 Zone	Provided on Plans
Maximum Lot Coverage:	100%	53%
Maximum Density:	6.0 FAR	1.91 FAR
Vehicle Parking:	40 stalls	27 stalls 1 car share(6 stalls) Cash in lieu for 7 stalls
Bicycle Parking <i>Class I</i>	0.5 per unit (20) minimum 2 for commercial uses	33 stalls
<i>Class II</i>	0.1 per unit(3)	3 stalls
Required Setbacks: All yards	0.0 m	Front: 0.95 m Side yard(North): 0m Side yard(South): 6.7m Rear: 0.25m
Maximum Building Height:	36.6m	13.7m
Other Information:	<ul style="list-style-type: none"> The DP area that the property is situated in is the "Downtown Enterprise Development Permit" area. 	

Development Engineering Review

This application was forwarded to the City's Technical Planning Committee and reviewed by the Engineering and Public Works Departments. Usual frontage upgrades and servicing requirements have been identified and will be included in the Building Permit application. These items have been communicated to the applicant.

City Trees

A certified arborist was retained to assess the impact of the proposed development on the City's Tree located along the development area. Of the seven trees located on City's property, 5 trees can be retained. The five trees are parallel to the landscaping area of the proposed development. The values for the two trees to be removed have been established by the certified arborist at \$1,800 and the applicant has agreed to pay for this value to the City. The applicant will be providing new trees and landscaping throughout the site as well.

Financial implication

The property is in the downtown economic investment zone and may be eligible for incentives. Incentives for this type of building include tax reductions on the assessed value of any improvements made to the property for a 5 year period. Taxes will still be paid on the land as if it were vacant land and upon the increased that occurs to the land value as determined by BC Assessment. After the eligibility period is over, the property will be taxed at the full rate for the life of the development. The site is also able to achieve a Development Cost Charge reduction as well if it meets the eligibility requirements for the affordable housing component of the DCC Reduction Bylaw, considering the partnership with BC Housing.

Analysis

Support Development Permit

When considering a development permit, staff and Council are required to review the plans against the established development permit area (DPA) guidelines for the development permit area that the property is located. In this case, the property is in the Downtown Enterprise DPA. The DPA guidelines encourage buildings that meet the following objectives:

- Building design should incorporate architectural detailing and variety in building finish to provide interest, such as window and door details, varied roof lines, pillars, cornices and or similar features.
- Buildings should define a pedestrian oriented first floor.
- Outdoor patios and plazas are encouraged.
- Variety, continuity and pedestrian interest should be expressed in the design of the building, particularly at the ground level.
- Safe and efficient parking areas should be provided and entrances should be accessed from lanes wherever possible.
- Landscaping areas shall enhances the building and provides a positive impact at the street level, including plants of a highly decorative nature and amenity areas.

The developer has submitted a letter of design rational, which outlines how the building meets the above objectives (Attachment E). Staff have reviewed the plans against the OCP design guidelines and consider that the proposed development follows the guidelines as describe in the OCP. Overall, staff believe that the proposed building will create positive impacts for the downtown with the increase in commercial area and the 40 new rental residential units. The overall design and appearance of the building is of high quality and will add certainly to Penticton as a whole. Staff considers that the project represents good urban planning principles and is in-line with the vision and intent of the OCP. The project satisfactorily meets all of the Zoning bylaw requirements as well. As such, staff are recommending that Council approve the development permit and direct staff to issue the permit.

Deny/Refer

Council may feel that the proposed development does not meet the design guidelines contained with the OCP and should not be permitted to advance as a result. If this is the case, Council should deny the development permit application.

Alternatively, Council may wish to refer the proposed development back to planning staff with conditions that better reflect the OCP design guidelines, Council can forward back for staff review.


Attachments

- Attachment A: Subject Property Location Map
- Attachment B: OCP Map
- Attachment C: Zoning Map
- Attachment D: Images of Subject Property
- Attachment E: Letter of Intent
- Attachment F: Building Rendering
- Attachment G: Site Plan
- Attachment H: DP

Respectfully submitted,

Audrey Tanguay, MCIP
Senior Planner

Approvals

Director 	CAO PW
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Attachment A - Subject Property



Figure 1: Location Map

Attachment B - OCP Map



Figure 2: OCP Map

Attachment C - Zoning Map

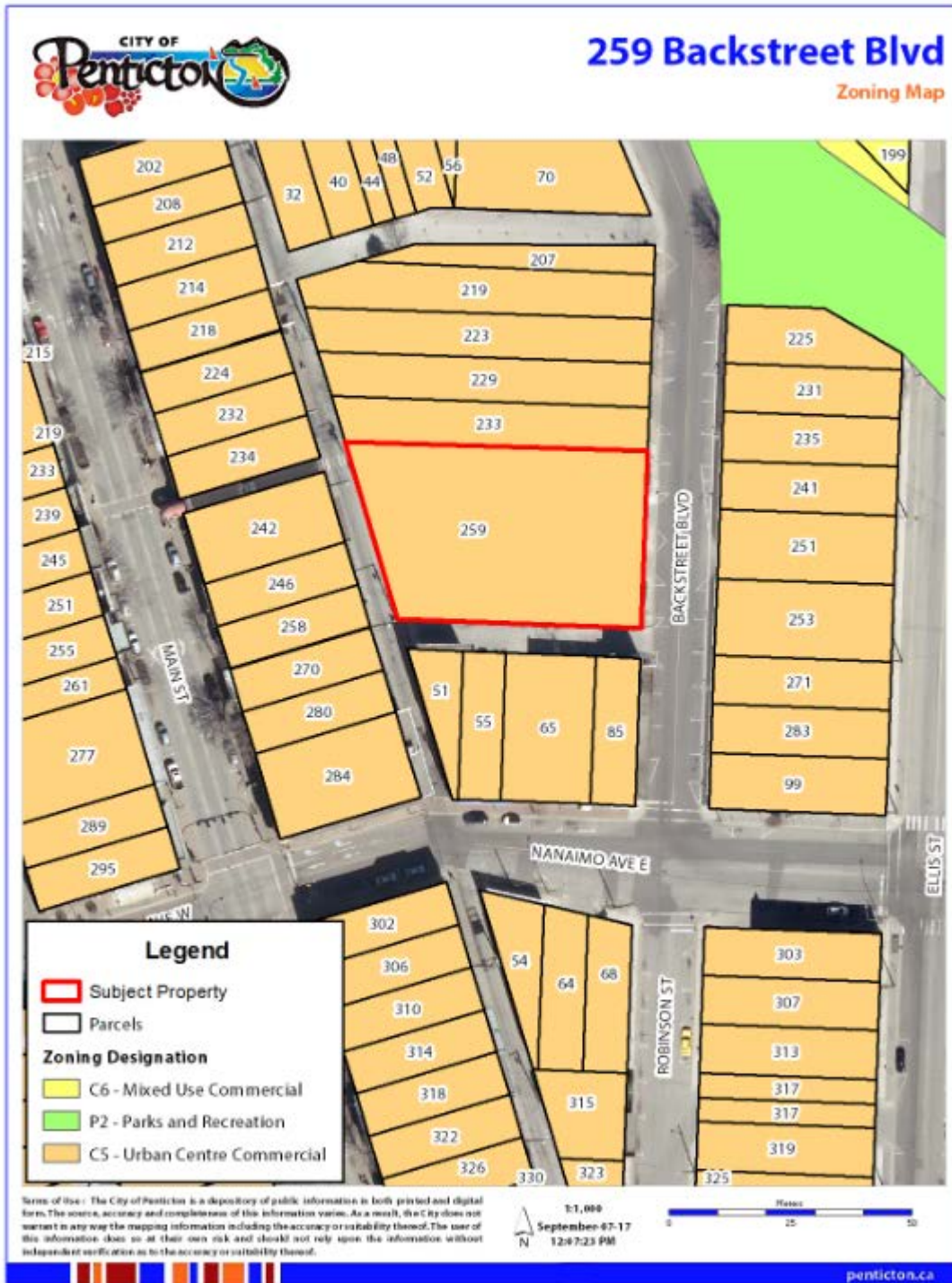


Figure 3: Zoning Map

Attachment D - Images of the Subject Property



Figure 4: View of the site on Backstreet Blvd



Figure 5: View from the lane

Attachment E –Letter of Rationale



Letter of Intent for EllisDon Okanagan Housing Corporation - Residential Project

259 Backstreet Boulevard, Penticton BC



Photo: Aerial view of the subject site and immediate neighbourhood – Looking northwest



May 26, 2017

City of Penticton
171 Main Street
Penticton BC
V2A 5A9

**Attention: Blake Laven
Planning Manager**

**Re: LETTER OF INTENT FOR DP APPLICATION
259 Backstreet Boulevard, Penticton BC**

Dear Blake:

On behalf of EllisDon Construction Company Ltd., we are submitting this letter of intent to the City of Penticton in regards to an application for a development permit of the property located at 259 Backstreet Boulevard. The site is located in the Downtown area and is currently zoned C-5.

The area is the commercial and cultural hub of the city and the site is adjacent to low rise (mostly 1 – 2 storey) commercial buildings, restaurants, cafes and other service / shopping oriented establishments.

The subject site is part of the Downtown Enterprise Zone which suggests the project have ground oriented commercial retail to reinforce the commercial nature of the area.

The proposal is a redevelopment of one C5 zoned property to allow for the following uses:

- Low-rise, 4-storey building form;
- Program to include non-market rental residential and commercial retail uses;
- Street-oriented commercial retail fronting Backstreet Boulevard; and
- At grade resident parking

The form of development is envisioned to not only enhance this segment of Backstreet Boulevard but also to provide much needed rental housing and to contribute to the commercial building stock already prevalent in the area. The mixed-use residential and commercial development would provide the following benefits.

- Medium scale development with rental housing to stimulate the area
- The development proposes 40 residential units;
- Target unit mix to be 30% single-bedroom units and 70% 2 bedroom units
- Provide affordable family-oriented housing type to city residential stock;
- Proximity to transportation, commercial and employment functions; and



- Reinforce and enhance the streetscape and public realm along Backstreet Boulevard

We have enclosed project information, preliminary site plan, typical floor plans, sections, elevations and renderings for your review.

We appreciate any commentary from the City of Penticton on our application. The property Owner is motivated to move forward with an application, proceed through the permitting process and begin construction as soon as possible. As a non-market rental development, the Owner would like to make application for a Development Permit application.

We look forward to your response to this letter of intent. Should you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

dys architecture

Jason Minard, Architect AIBC

cc: Shailesh Balachadran, VP Pre-Construction Services, EllisDon Construction Co. Ltd.
Marco Buccini, Director – Design Management Services, EllisDon Construction Co. Ltd.
Dane Jansen, Principle, DYS Architecture



Site & Project Information

Enquirer:

Architect:

Jason Minard, Architect AIBC
dys architecture
260 – 1770 Burrard Street
Vancouver, BC, V6J 3G7
604-669-7710 – General Office
Email: jason.minard@dysarchitecture.com

Owner:

EllisDon Okanagan Housing Corp.
150-13775 Commerce Parkway
Vancouver, BC, V6V 2V4
604-247-1072 – General Office
Email: jwaters@ellisdon.com

Property Information:

Civic Address: 259 Backstreet Blvd, Penticton, BC

Legal Description: Lot A District Lot 202 Similkameen Division Yale District Plan
KAP49910 PID – 018-283-616

Applicable Zoning, Policies, and Guidelines:

Current/Existing Zoning: C-5

Guidelines & Policies:

- City of Penticton Official Community Plan Bylaw 2002-20 Downtown Enterprise Zone
- C-5 Urban Centre Commercial Zoning Bylaw No.2017-08
- BC Housing Design Guidelines and Construction Standards 2014
- Provincial Energy Step Code



Site Description:

The development site is located at 259 Backstreet Boulevard in the city centre. At this time the site is a parking lot. The site is located mid-block with Nanaimo Avenue to the south, Main Street to the west and Ellis Street to the east. The development site is wedge shaped and consists of one parcel, measuring approximately 205 feet (62.5m) in length on the north PL by 120 feet (36.6m) in depth along the east PL.

Context – Surrounding Site Condition:

- North – Surface parking lot
- East – Empty lot
- South – 1-2 storey buildings across a lane;
- West – 1-2-storey buildings across a lane

The site is relatively flat with a high point of elevation of 347.5m and a low of 346.5m. This allows for surface parking and a minimum of site grading.



Image (Google Streetview): Looking west towards the site from Backstreet Blvd.



Proposed Project

Form of Development

The site is zoned C-5.

Key design principles for the contemplated development were developed in conjunction with the Downtown Enterprise Zone Development Permit Area as part of the City of Penticton Official Community Plan. The site is located in a central area in downtown Penticton and the design intent is to provide an attractive, functional and notable building to enhance the area.

The building's main frontage is on Backstreet Boulevard but a secondary frontage also addresses the lane to the south. Level 1 on Backstreet is pedestrian oriented as it is mostly glazing and provides entrances to 2 commercial retail units. The building runs the full length of the site along Backstreet Boulevard and is situated adjacent the sidewalk edge. A canopy will extend the entire length of the building along Backstreet Boulevard. The canopy continues west on the south elevation as well to mark the residential entry which is accessed by a landscaped walkway from Backstreet Boulevard.

The residential portion of the building from Levels 2-4 is clad in a cementitious fibre material (both plank and board). Each unit has a balcony with metal balcony railings with glass infill and black vinyl windows. Building materials are varied in texture and color to create visual interest and to avoid a monolithic appearance but remain consistent. The 'public' face of the building as it relates to Backstreet Boulevard and the entrance area is clad in grey hardiplank. Architectural features like the Glu-lam columns on these faces provide a grander appearance of the elevations and enhance interest. The 'private' aspect of the building as it relates to the residential portion towards the back of the site is beige hardiplank and is meant to be a more understated part of the building. The roof line has a deep overhang on the Backstreet Boulevard. This overhang continues for part of the south elevation as well providing a varied roof line.

Various outdoor space options are provided for the building residents. Each unit will have its own private balcony accessed from the living area of the unit. The 4th floor has a west facing amenity space along the north property line. The space includes a patio with a shared BBQ area and an indoor space for the residents. The amenity space overlooks the common outdoor play / family area on the ground level at the northwestern part of the site. Included in this outdoor area is a place for urban agriculture / gardening, a tool shed and a patio.

Parking

All parking is provided at grade with a total of 26 residential stalls and 2 car-share stalls. All stalls are accessed via laneways on the south and west of the site eliminating entrances and exits across sidewalks. Table 6.5 in the zoning by-law notes a dwelling unit in a C5 zone is to have 1 stall per dwelling unit. 40 units are provided which translates to a 40 stall requirement. Table 6.1 notes a \$6,000 per stall payment-in-lieu. Since the 2 car-share stalls equal a provision of 12 stalls in the parking calculation the total stalls provided is 38 (26 + 2x6). The client intends to



apply the payment-in-lieu to 2 stalls. Landscape areas are provided at the ends of each parking row. 2 Handicap Accessible stalls are located near the residential entry. Lighting in parking area and the site in general will be provided as per CPTED requirements to allow for pedestrian safety and casual surveillance.

22 Class I bicycle parking stalls are required. The project is providing 33 spaces located at the east end of the site and which have access to a landscape path which leads to the laneway. A row of 6 Class II stalls are provided at the southeast corner of the site offering convenient bike parking near the residential building entry and commercial retail unit entries.

Landscape Plan

The landscape plan responds to the programing and architectural features of the new building and unifies the character of the site. It offers a familiar aesthetic related to the character of the City of Pentticon by including trees and shrubs that are native or adapted to the region. There are a variety of secured programed spaces to enjoy outside of the building, including spaces for urban agriculture, gathering, relaxing and play.

Human scaled outdoor spaces are welcoming and safe. The landscape is designed in accordance with Crime Prevention Through Environmental Design (CPTED) principles. Sightlines are maintained through the use of standardized deciduous trees and low shrubs or groundcover around circulation routes. Concrete walkways are universally accessible, and conned building and site entrances with zones of activity. Landscape buffers separate walkways and gathering areas from parking, roads and adjacent land uses.

Outdoor Spaces

The playground is the central feature of the private courtyard on the north side of the building. Playground equipment and safety surfacing is supplied by a reputable manufacturer. The equipment accommodates imaginative play for kids up to 5 years old. Safety surfacing is accessible and accommodates flexible use of the space. The play space also includes access to natural elements such as boulders, plantings and a sand box.

Raised planting beds are located in a sunny location for urban agriculture. A small shed is easily accessed, located near to the planting beds. A hose bib is also located nearby.

A small patio is provided for gatherings and small functions. It is protected by the building from the noise of traffic on adjacent roads. There are pleasant views to planting areas and zones of activity. The space is flexible, with no fixed furnishings. Tables and chairs can be brought out to the patio and moved around to accommodate a variety of events.

Site Furnishings

Site furnishings such as benches and litter receptacles are supplied by a reputable manufacturer. They are durable, comfortable, and functional. Furnishings are black powder coated steel or stainless steel with wood included where applicable such as seating surfaces.



Fencing is aesthetically cohesive with the landscape, building and site furnishings. Secure bike storage is provided inside the building.

Plants

The plant palette is a selection based on local indigenous species and adaptable plants. Plants are varied in character with year-round interest in the form of fruit, flowers, and changing leaf colour. Fruiting shrubs support programming for urban agriculture. Plant maintenance is minimized by selecting appropriate plants that respond to the site conditions and do not require high amounts of water, fertilizer or pruning.

No permanent irrigation is provided. Planting areas will require regular watering until establishment. Once established, watering will only be required during times of severe drought. Secure all weather hose bibs are located near planting beds and the area for urban agriculture.

Medium size ornamental trees are placed near the play area and along the walkway south of the building to provide shade. Tree species are selected to give year-round interest with flowers or changing leaf colour. Shrubs and ornamental grasses are planted in swaths to reflect the Okanagan landscape.



Project Fact Sheet:

Proposed Program	
	Total
Site Area	2050.9 sq/m.
Number of Structures	1
Number of Floors (Above Grade)	4 Levels
Building Height	4 Storeys
Site FSR	1.91 FSR
FSR Area	3913.7 sq/m
Amenity	Outdoor Space, Outdoor Amenity and Interior Common Building Amenity
No. of Residential Units (rental)	40 Units
No. Accessible Unit	3 Units
Parking (1 per unit required)	26 Spaces
Car Share Spaces (1 car share space = 6 spaces)	2 (x6) = 12
Bike Stalls (Class I - 0.5 per unit required)	33 Spaces
Bike Stalls (Class II - 2 Commercial spaces and 4 Residential Spaces require)	6 Spaces

Target Market Rental Residential Unit Sizes			
Unit Type	Target Unit Sizes	Quantity	%
1 Bedroom	48.9 sq/m	12 Units	30 %
2 Bedrooms	70.8 – 81.4 sq/m	28 Units	70 %
		40 Units in Total	

Summary

Considerable effort has been made to integrate the proposed scheme into the existing neighbourhood and urban fabric of this area within the Downtown Enterprise Zone. Given the benefit of adding residents to enhance the neighbourhood and achieve the City's long-term growth, the development and consultant team are committed to continuing further consultation with the City and Community to ensure a development that will benefit the area. We believe this development will greatly provide a much needed housing form and additional housing options for downtown residents.

END

Attachment F – Building Rendering



Figure 6: East Elevation (Backstreet Boulevard)



Figure 7: South Elevation (Street Level)



Figure 8: West Elevation (Street Level)



Figure 9: North Elevation



Figure 10: View Looking North West



Figure 11: View Looking South East

Attachment G: Site Plan

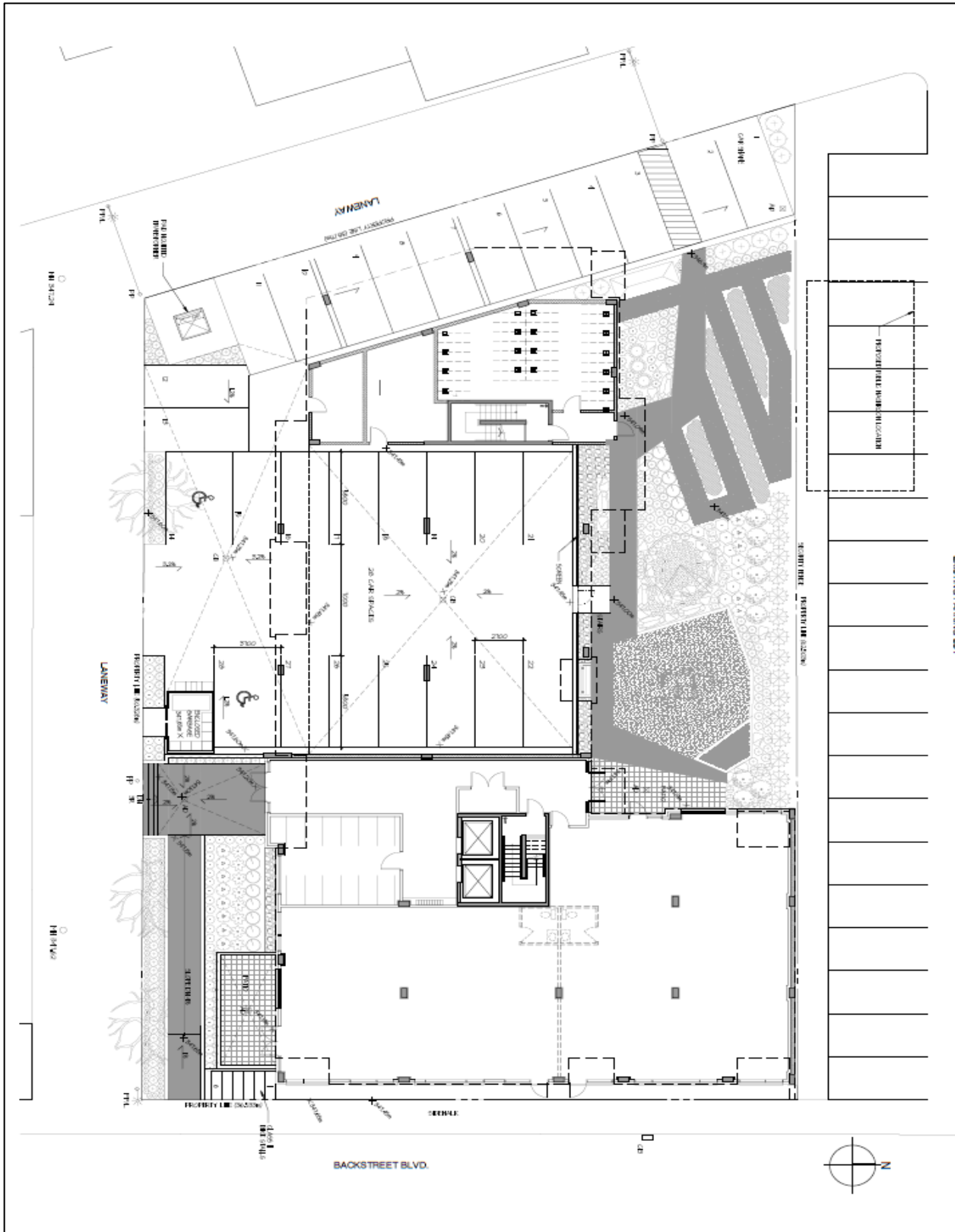


Figure 14: Site Plan

Attachment H: Development Permit



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

Development Permit

Permit Number: DP PL2017-7955

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 202, Similkameen Division Yale District, Plan KAP49910
Civic: 259 Backstreet BLV
PID: 018-283-616
3. This permit has been issued in accordance with Section 489 of the *Local Government Act*, to permit the construction of an 4 storey building as shown in the plans attached in Schedule A.

General Conditions

4. In accordance with Section 501(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 504 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

Issued this ____ day of _____, 2017

Dana Schmidt,
Corporate Officer