



Agenda

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

**Tuesday, October 24, 2017
at 9:00 a.m.**

1. Call Special Council Meeting to Order

2. Adoption of Agenda

3. Reconsideration of Bylaws and Permits:

3.1 Permissive Tax Exemption Amendment Bylaw No. 2017-61 1-5

Staff Recommendation: THAT Council adopt "Permissive Tax Exemption Amendment Bylaw No. 2017-61".

4. Staff Report:

4.1 Downtown Economic Investment Zone Extension Request 6-11

Staff Recommendation: THAT Council give first, second and third reading to "Downtown Economic Investment Zone Amendment Bylaw No. 2017-74", a bylaw that amends section 6 of "Downtown Economic Investment Zone Bylaw No. 2014-04" allowing incentives to developments subject to a building permit issued before March 1, 2018 and have been issued occupancy permit no later than December 31, 2019.

5. Adjournment

The Corporation of the City of Penticton

Bylaw No. 2017-61

A Bylaw to amend Permissive Exemption Bylaw

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

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

AND WHEREAS the Council of the City of Penticton wishes to amend "2017 Permissive Tax Exemption Bylaw 2016-57";

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

1. TITLE:

This Bylaw may be cited for all purposes as the "Permissive Tax Exemption Amendment Bylaw 2017-61".

2. AMENDMENT:

2.1 Remove Schedule "B" and replace it with Schedule "B" as attached hereto and forming part of the bylaw.

2.2 The properties described on the attached Schedule "B" shall be permissively exempt from taxation with respect to land and improvements for the year 2018.

READ A FIRST time this	17	day of	October , 2017
READ A SECOND time this	17	day of	October, 2017
READ A THIRD time this	17	day of	October, 2017
ADOPTED this		day of	October, 2017

Notice of intention to proceed with this bylaw was published on the 20 day of September, 2017 and the 27 day of September, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Schedule B : Not for Profits and Societies Exempt for One (1) Year (2018)

Not for Profits and Societies			
Name of Applicant	Civic Address	Estimated 2018 Municipal (General) Tax Foregone	Comment
Affordable Living for Today Society	245 Warren Ave. W.	\$3,600	
Army, Navy & Air Force Veterans in Canada, Unit 97	257 Brunswick St.	\$1,634	Apportioned based on area used for liquor sales - 58.84% of land/improvements used for charitable purposes
BC Wine Information Society	101 - 553 Veas Dr.	\$3,813	
Care Closet	574 Main St.	\$1,922	
Fraternal Order of Eagles Aerie 4281	1197 Main St.	\$2,918	Class 8 Improvements used for charitable purposes
Good Samaritan Canada (A Lutheran Social Service Organization)	270 Hastings Ave.	\$59,617	
Governing Council of the Salvation Army Corps 344	2399 South Main St.	\$8,818	
Governing Council of the Salvation Army Corps 344	318 Ellis St.	\$3,635	
LUSO Canadian Multicultural Society of Penticton	135 Winnipeg St.	\$2,163	
Okanagan Boys & Girls Club	1295 Manitoba St.	\$4,928	
Ooknakane Friendship Centre	146 Ellis St.	\$4,593	
Penticton & District Community Arts Council	220 Manor Park Ave.	\$10,090	
Penticton & District Community Resources Society	1160 Commercial Way	\$2,731	
Penticton & District Community Resources Society	285 Nanaimo Ave. W.	\$1,300	
Penticton & District Community Resources Society	150 McPherson Cres.	\$2,573	
Penticton & District Community Resources Society	154 McPherson Cres.	\$2,573	
Penticton & District Community Resources Society	2434 Baskin St.	\$986	
Penticton & District Community Resources Society	2450 Baskin St.	\$990	
Penticton & District Community Resources Society	330 Ellis St.	\$10,952	
Penticton & District Community Resources Society	470 Edmonton Ave.	\$2,780	
Penticton & District Community Resources Society	500 Edmonton Ave.	\$1,011	
Penticton & District Emergency Program Society	251 Dawson Ave.	\$1,315	
Penticton & District Minor Hockey Association	325 Power St.	\$1,332	
Penticton & District Society for Community Living	180 Industrial Ave.	\$12,677	
Penticton & District Society for Community Living	234 Van Horne St.	\$2,426	
Penticton & District Society for Community Living	252 Conklin Ave.	\$1,919	
Penticton & District Society for Community Living	453 Winnipeg St.	\$12,863	
Penticton & Wine Country Chamber of Commerce	102 Ellis St.	\$2,416	

Not for Profits and Societies cont.			
Name of Applicant	Civic Address	Estimated 2018 Municipal (General) Tax Foregone	Comment
Penticton Art Gallery	199 Marina Way	\$17,715	
Penticton BMX Society	630 Munson Mountain Rd.	\$2,674	
Penticton Community Garden Society	480 Vancouver Ave.	\$1,833	
Penticton Curling Club	505 Veas Dr.	\$12,411	
Penticton Disc Golf Club	500 Marina Way	\$1,505	
Penticton Early Childhood Education Society	104 - 550 Carmi Ave.	\$1,463	
Penticton Elks Lodge 51	343 Ellis St.	\$4,679	Apportioned based on area used for liquor sales - 66.12% of land/improvements used for charitable purposes
Penticton Golf & Country Club	600 Comox St.	\$9,537	Approx. 172,000 square feet exempt for land and approx. 10,000 square feet exempt for buildings
Penticton Golf & Country Club	852 Eckhardt Ave. W.	\$14,452	
Penticton Horseshoe Pitchers Club	2905 South Main St.	\$2,234	
Penticton Kinsmen Disability Resource Centre Society	216 Hastings Ave.	\$8,337	
Penticton Kiwanis Housing Society	101 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	102 - 150 Van Horne St.	\$769	
Penticton Kiwanis Housing Society	103 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	104 - 150 Van Horne St.	\$648	
Penticton Kiwanis Housing Society	105 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	112 - 150 Van Horne St.	\$769	
Penticton Kiwanis Housing Society	113 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	115 - 150 Van Horne St.	\$778	
Penticton Kiwanis Housing Society	201 - 150 Van Horne St.	\$777	
Penticton Kiwanis Housing Society	202 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	204 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	209 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	210 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	211 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	212 - 150 Van Horne St.	\$657	
Penticton Kiwanis Housing Society	213 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	214 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	215 - 150 Van Horne St.	\$782	
Penticton Kiwanis Housing Society	301 - 150 Van Horne St.	\$777	

Not for Profits and Societies cont.			
Name of Applicant	Civic Address	Estimated 2018 Municipal (General) Tax Foregone	Comment
Penticton Kiwanis Housing Society	302 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	304 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	308 - 150 Van Horne St.	\$755	
Penticton Kiwanis Housing Society	310 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	312 - 150 Van Horne St.	\$657	
Penticton Kiwanis Housing Society	314 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	315 - 150 Van Horne St.	\$782	
Penticton Kiwanis Housing Society	401 - 150 Van Horne St.	\$777	
Penticton Kiwanis Housing Society	402 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	404 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	406 - 150 Van Horne St.	\$652	
Penticton Kiwanis Housing Society	408 - 150 Van Horne St.	\$755	
Penticton Kiwanis Housing Society	410 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	412 - 150 Van Horne St.	\$657	
Penticton Kiwanis Housing Society	413 - 150 Van Horne St.	\$655	
Penticton Kiwanis Housing Society	414 - 150 Van Horne St.	\$773	
Penticton Kiwanis Housing Society	415 - 150 Van Horne St.	\$782	
Penticton Lawn Bowling Club	260 Brunswick St.	\$5,161	
Penticton Masonic Building Association	416 Westminster Ave. W.	\$2,711	
Penticton Recovery Resource Society	397 Wade Ave. W.	\$1,347	
Penticton Recovery Resource Society	633 Winnipeg St.	\$2,786	
Penticton Safety Village	490 Edmonton Ave.	\$3,960	
Penticton Seniors' Drop-In Society	2905 South Main St.	\$24,937	
Penticton Tennis Club	675 Marina Way	\$2,924	
Roman Catholic Bishop of Nelson for PDCRS Pregnancy Support Program	200 Bennett Ave.	\$1,425	
Royal Canadian Legion #40	502 Martin St.	\$4,996	Apportioned based on area used for liquor sales - 60.63% of land/improvements used for charitable purposes
S.S. Sicamous Restoration Society	1099 Lakeshore Dr. W.	\$9,673	
S.S. Sicamous Restoration Society	1101 Lakeshore Dr. W.	\$2,097	
S.S. Sicamous Restoration Society	1175 Lakeshore Dr. W.	\$4,282	
South Okanagan Immigrant and Community Services	340 Ellis St.	\$4,039	
South Okanagan Similkameen Brain Injury Society	332 Eckhardt Ave. W.	\$1,937	
South Okanagan Similkameen Brain Injury Society	742 Argyle St.	\$1,794	
South Okanagan Similkameen Medical Foundation	1748 Camrose St.	\$4,497	

Not for Profits and Societies cont.			
Name of Applicant	Civic Address	Estimated 2018 Municipal (General) Tax Foregone	Comment
South Okanagan Similkameen Medical Foundation	1802 Camrose St.	\$3,142	
South Okanagan Women in Need Society	102 - 1027 Westminster Ave. W.	\$2,320	
South Okanagan Women in Need Society	Not disclosed	\$3,210	
South Okanagan Women in Need Society	Not disclosed	\$1,095	
The B.C. Society for the Prevention of Cruelty to Animals	2200 Dartmouth Dr.	\$12,944	
Total		\$372,374	

Council Report

penticton.ca

Date: October 24, 2017 File No: RMS 6630-20
To: Peter Weeber, Chief Administrative Officer
From: Anthony Haddad, Director of Development Services and Blake Laven, Planning Manager
Subject: Downtown Economic Investment Zone Extension Request

Staff Recommendation

THAT Council give first, second and third reading to "Downtown Economic Investment Zone Amendment Bylaw No. 2017-74", a bylaw that amends section 6 of "Downtown Economic Investment Zone Bylaw No. 2014-04" allowing incentives to developments subject to a building permit issued before March 1, 2018 and have been issued occupancy permit no later than December 31, 2019.

Strategic priority objective

The Economic Investment Zone program is part of the City's growth strategy, with a focus on growth in the downtown and employment centers – targeting specific uses that will have community wide benefits.

Extending the program to accommodate projects that are far along in the development process will ensure that the projects move forward, contributing to the revitalization and enhanced vibrancy of the downtown.

Background

City Council adopted Downtown Economic Investment Zone Bylaw No. 2014-04 in 2014 to incentivize certain types of developments in the downtown – including employment generators and residential dwelling units. The bylaw has seen the development of 14 projects, which have been completed under the bylaw representing almost \$17 million in investment in the downtown over the three year period.

Bylaw 2014-04, like all of the EIZ bylaws, has a sunset clause built in. In its current form, to be eligible for benefits a project must be complete prior to December 2018.

The City has recently received a letter from the Chase Valley Group, who has been in the planning stage for two projects for several months. The request from Chase Valley is to extend the sunset date by one year. They are in a position where they have investment large amounts of planning for these two projects in the downtown with the assumption that they and their tenants would be eligible for benefits upon completion.

Earlier this year, staff presented Council with a report outlining the history of the EIZ program in Penticton in detail. That report identified the pending expiration of the downtown EIZ and recommended that a replacement to the program happen after the OCP is completed so that any incentives would be geared towards incentivizing the right types of developments in the most strategic locations.

While staff still support that approach, given the current development climate, consideration could be given to an extension of the existing program under strict conditions.

Proposal

Staff have reviewed the letter from Chase Valley Investments and spoken with several other projects that are in a similar situation and are recommending the following amendments to the bylaw:

Amend Section 6 of Bylaw 2014-04

From:

Developments, shall only be eligible for incentives under this bylaw if they:

- a) are subject to a building permit issued after January 1st 2014; and
- b) have been issued an occupancy permit no later than December 31st 2018.

To:

Developments, shall only be eligible for incentives under this bylaw if they:

- a) are subject to a building permit issued before March 1, 2018; and
- b) have been issued an occupancy permit no later than December 31, 2019.

Analysis

Support extension of the downtown EIZ program

The economic investment zone program has been quite successful since its inception in 2010, seeing investment in the downtown and in the industrial area of the city. Sunset clauses are included in the bylaw to create some urgency and timely investment. In the case of the building on Front Street as well as other in the downtown, efforts have been made to meet the deadline, but the reality of the construction environment in Penticton at the moment will make meeting the December 2018 deadline not likely.

A wider review of the EIZ bylaws is going to be undertaken in early 2018. Working with the Economic Development and Prosperity Task Force and Development Services Advisory Committee, staff will look for bring forward further information on that process in early 2018.

Deny support for extension of the downtown EIZ program

Council may feel that the program should not be extended, as it was originally set up with a specific timeline for completion of qualifying projects. The bylaw has been in place since 2014 and promotion of its availability to the development community has been available since then, however the realities of planning, design and developing projects like the one subject to this request, take time, effort and risk that is difficult to account for when putting these bylaws in place. Considering that the subject development meets the intent of what the EIZ bylaw was trying to achieve with a new mixed use development in the heart of our downtown by contributing to the revitalization of our community, staff consider that denying the extension could jeopardize the redevelopment of this vacant site in the short term.

Staff Recommendation

That Council support an extension to the downtown EIZ program.

Alternate recommendations

That Council not support the extension to the downtown EIZ program.


Attachments

Attachment A: Letter from Chase Valley Group requesting extension

Attachment B: "Downtown Economic Investment Zone Amendment Bylaw No. 2017-74"

Respectfully submitted,

Anthony Haddad, Director of Development Services
Blake Laven, Planning Manager

Director 	Chief Administrative Officer PW
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Attachment A

Letter of Request from Chase Valley Group to extend the Downtown EIZ by one year

101 - 365 VAN HORNE STREET
PENTICTON
BRITISH COLUMBIA
CANADA
V2A 8S4



1 250 498 4224
INFO@CHASEVALLEY.CA
WWW.CHASEVALLEY.CA

Mayor and Council
City of Penticton
171 Main Street Penticton BC
VA 5A9

CVC.P.101017.2316

10th October 2017

Dear Sirs

Re – Front Street Project

With regard to the above project planning and organising aspects of the development are progressing well and we are looking to hopefully break ground mid to end of November.

With the development being some 15 months in the planning it is clear now that to complete construction prior to the end of December 2018 is unachievable which raises serious concerns for us in respect of the EIZ tax breaks.

We are therefore writing to request an extension of the current bylaw for an additional year.

The introduction of the scheme has positively encouraged investment in the downtown area and has played a significant part in our calculations and viability of the project. To such a degree we now have 75% of the offices prelet prior to construction, a major factor to our prospective tenants and the success of this development being the EIZ tax breaks.

Heads of Terms have been agreed with the tenants but we need assurances now before we can sign and secure the leases. We believe it is the current plan is to create a new program but such delays will prevent us from completing the agreements as the EIZ scheme formed a material part of our negotiations.

Chase Valley are a long term investment group as opposed to speculative, and we believe the tax breaks are playing an important part in directing investment in the downtown area as opposed to other city areas. Our own investment strategy highlights this as both of our current 2017 new build projects are in the downtown area, the other being 597 Ellis Street.

CHASE VALLEY



Both our projects are dependent upon the EIZ scheme and to avoid delays in the commencement of the projects, anything that could be done to expedite a decision would be appreciated.

Thanking you

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R T Caine'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

R T Caine
President

Bylaw No. 2017 -74

A Bylaw to Amend Downtown Economic Investment Zone Bylaw No. 2014-04"

WHEREAS the Council of the City of Penticton has adopted a bylaw that may provide revitalization tax exemptions under section 226 of the Community Charter;

AND WHEREAS the Council of the City of Penticton wishes to amend "Downtown Economic Investment Zone Bylaw No. 2014-04";

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

1. CITATION:

This Bylaw may be cited as the "Downtown Economic Investment Zone Amendment Bylaw No. 2017-74".

2. AMENDMENT

2.1 Delete and replace Sections 6 with the following:

6) Developments shall only be eligible for incentives under this bylaw if they:

a) are subject to a building permit issued before March 1, 2018; and

b) have been issued an occupancy permit no later than December 31, 2019.

READ A FIRST time 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