

CITY OF CASTLEGAR

BYLAW 1221

A bylaw to exempt eligible property improvements from municipal taxation

WHEREAS an authority is granted under Section 226 of the *Community Charter*, to establish a revitalization tax exemption;

AND WHEREAS Council wishes to establish a revitalization tax exemption program within the boundary of the City of Castlegar;

AND WHEREAS Council wishes to create an economic stimulus that will encourage capital investment, expand the commercial property tax base, enhance the visual appeal of commercial properties within the City and create economic growth opportunities throughout the City;

AND WHEREAS Section 227 of the *Community Charter* requires that notice be given of a revitalization tax exemption and notice of this bylaw has been given accordingly;

AND WHEREAS Section 165 of the *Community Charter* requires a municipality to set out in its Financial Plan the objectives and policies in relation to the use of tax exemptions and such provisions have been set out in the 2015-2019 Financial Plan Bylaw No. 1214 and are consistent with this bylaw;

NOW THEREFORE BE IT RESOLVED, the Council of the City of Castlegar, in open meeting assembled, **ENACTS** as follows:

1. This Bylaw may be cited as "Revitalization Tax Exemption Bylaw No. 1221".
2. In this Bylaw:

"Agreement" means a revitalization tax exemption agreement between the Owner and the City of Castlegar, substantially in the form attached hereto as Schedule "A";

"City" means the City of Castlegar;

"Council" means the Council of the City of Castlegar;

"Eligible Property" means a class 6 property that is used for commercial purposes, as determined by the City, and that is further described in the Tax Exemption Certificate, Schedule C;

"Owner" means the property owner seeking a revitalization tax exemption under this Bylaw;

"Parcel" means a legal parcel of land within the Revitalization Area upon which an owner proposes a project;

“Revitalization Area” means the City of Castlegar.

“Tax Exemption” means a revitalization tax exemption pursuant to this Bylaw;

“Tax Exemption Certificate” or **“Certificate”** means a revitalization tax exemption certificate issued by the City of Castlegar pursuant to this Bylaw and pursuant to the provisions of Section 226 of the *Community Charter*; and

“Term” has the meaning given in Section 5 of this Bylaw.

3. There is hereby established a revitalization tax exemption program under Section 226 of the *Community Charter* for the granting of Tax Exemptions and the issuance of Tax Exemption Certificates for class 6 parcels, used for commercial purposes, in accordance with the terms and conditions prescribed in this Bylaw.
4. A revitalization tax exemption will only be granted in respect of:
 - a. The alteration or expansion of an existing improvement on a class 6 business parcel engaged in providing commercial services to the community;
 - b. A tax exemption will only be granted on the first \$750,000 of new construction assessed value;
 - c. Current property taxes must be fully paid to date.
5. A revitalization tax exemption shall be for a term of six (6) years unless earlier terminated by cancellation of the revitalization tax certificate that is issued by the City.
6. In order to be eligible for a revitalization tax exemption in any particular year, the owner must notify the City by September 15 of the year before the year when the real property will be eligible for a revitalization tax exemption.
7. A revitalization tax exemption must not exceed the new assessed value attributed to the alteration or expansion of the improvement on the parcel.
8. The basis of a revitalization exemption for the alteration or expansion of existing improvements as outlined in section 4 from the municipal share of property value taxes shall be as follows:
 - a. Year 1 to 3 – 100% of the assessed value attributable to the alteration or expansion;
 - b. Year 4 – 80% of the assessed value attributable to the alteration or expansion;
 - c. Year 5 – 60% of the assessed value attributable to the alteration or expansion;
 - d. Year 6 – 40% of the assessed value attributable to the alteration or expansion.

9. In order for a Parcel to be considered for a Tax Exemption, the Owner of the Parcels must:
 - a. Apply to the Director of Development Services in writing by submitting the following application materials:
 - i) Written confirmation that all taxes and charges imposed on the Parcel have been paid;
 - ii) a completed written application in a form prescribed by the City and available at the City's municipal offices, schedule "B";
 - iii) a description of the alteration or improvement that the Owner is proposing to undertake on the Parcel and that may be eligible under the Bylaw for a municipal tax exemption; and
 - iv) an application fee in the amount of \$ 20; and
 - b. Enter into the Agreement with the City within 30 **days** of submitting the application pursuant to 9.a above.
10. If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the Tax Exemption Certificate is cancelled, the Owner will remit to the City, no later than 30 days after receiving notice from the City of the cancellation, an amount, as determined by the City, of municipal property taxes payable for the balance of the year, calculated pro rata based on the annual amount of municipal taxes that would have been payable but for the Tax Exemption.
11. Once the City agrees that the requirements and conditions of this Bylaw and the Agreement are met, the City will issue a tax exemption certificate to the owner.
12. A tax exemption certificate may be cancelled or disallowed by the City in one or more of the following circumstances;
 - a. Upon written request of the owner; or
 - b. If the property values taxes owing on the property go into arrears; or
 - c. If any of the requirements of this Bylaw or the conditions contained in the Agreement are not met.
 - d. The subject property benefits from assessment relief from any other act such as the Tourist Accommodation Act.
13. The Chief Financial Officer for the City, or the Chief Financial Officer's designate, is the designated municipal officer for the purpose of Section 226 of the *Community Charter*.
14. This bylaw comes into effect when adopted and its repeal shall be effective December 31, 2019.

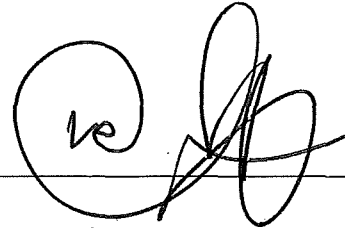
Read a first time this 5th day of October, 2015.

Read a second time this 5th day of October, 2015.

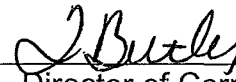
Published pursuant to the *Community Charter* the 22nd and 29th days of October, 2015

Read a third time this 2nd day of November, 2015.

Adopted this 16th day of November, 2015.



Mayor



Director of Corporate Services

SCHEDULE "A"

REVITALIZATION TAX EXEMPTION AGREEMENT

THIS AGREEMENT dated for reference the ___ day of _____, 20__
_____.

BETWEEN:

(the "**Owner**")

AND:

CITY OF CASTLEGAR, a municipality incorporated pursuant to the *Local Government Act* and *Community Charter* with its corporate offices located at 460 Columbia Avenue Castlegar, British Columbia, V1N 1G7

(the "**City**")

WHEREAS:

- A. The City has under Revitalization Tax Exemption Bylaw No. 1221 ("**Bylaw**") established a revitalization tax exemption for the purposes of creating an economic stimulus that will encourage capital investment, expand the commercial property tax base, enhance the visual appeal of commercial properties within the City and create economic growth opportunities throughout the City;
- B. The Owner is the registered owner of those lands situated in the City of Castlegar and legally described as:

(the "**Parcels**");
- C. The Owner proposes to make the alterations, upgrades and improvements described in Schedule B (the "**Improvements**") on the Parcels, and the City Council has agreed to consider granting the Owner a property tax exemption in respect of the Parcels; and
- D. The Owner is the owner of commercial properties within the City of Castlegar and for the purposes of the imposition of property value taxes under section 197 of the Community Charter has applied for a tax exemption under the provisions of the Bylaw;

SCHEDULE "A"

THEREFORE in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Owner agree as follows:

1. Revitalization Tax Exemption

Subject to fulfillment of the conditions set out in this Agreement and in the Bylaw, the City will issue a revitalization tax exemption certificate (the "**Tax Exemption Certificate**") to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of the municipal property taxes due in relation to the Parcels for the calendar years set out in this Agreement.

2. Improvements

The Owner acknowledges and agrees that the City will only provide a municipal tax exemption on the construction value of Improvements or expansion of the first \$750,000 expended by the Owner, as determined by the City.

3. Tax Exemption Certificate

Upon the requirements of this Agreement being fulfilled, a revitalization tax exemption certificate may be issued to the Owner for the eligible improvements if the Owner is in compliance with this Agreement and the Bylaw. The revitalization tax certificate shall specify the basis of the tax exemption in accordance with the terms of the Bylaw. The revitalization tax certificate shall provide that the tax certificate may be cancelled by the City if the conditions under this Agreement are not met.

4. Tax Exemption

Provided that the requirements of this Agreement and the Bylaw are satisfied and a Tax Exemption Certificate in respect of the Parcels has not been cancelled, the Parcels are exempt from municipal property taxation, to the extent, for the period and subject to the conditions provided in the Tax Exemption Certificate.

5. Term

This Agreement commences on the day of its execution and shall continue in force until cancellation or expiry of the revitalization tax exemption certificate, unless this agreement is terminated earlier.

6. Owner's covenants

The Owner covenants and agrees that:

- a) the Owner is solely responsible for all costs associated with construction of the eligible improvements, including but not limited to the cost of extending,

SCHEDULE "A"

expanding or connecting any municipal infrastructure or services required for the development or operation of the eligible improvements;

- b) the Owner shall construct the eligible improvements in accordance with all applicable statutes and regulations and in accordance with all permits and approvals issued for the eligible improvements;
- c) the Owner shall comply promptly, at its own expense, with the legal requirements of all authorities in respect to construction of the eligible improvements on the lands.

7. Cancellation

The City may cancel the Tax Exemption Certificate and terminate this Agreement:

- (a) on the request of the Owner;
- (b) at any time, if the Owner breaches or does not fully satisfy any of the conditions in the Tax Exemption Certificate or this Agreement;
- (c) if the Owner is adjudged bankrupt, commits an act of bankruptcy which is not remedied, makes a general assignment for the benefit of creditors or if a receiver is appointed because of the Owner's insolvency or the Owner otherwise acknowledges insolvency; or
- (d) where the Owner is a corporation, an order is made or a resolution is passed for the liquidation or winding-up of the Owner (collectively with 7(c) above, the "**Insolvency Events**").

8. Recapture

If the revitalization tax exemption is cancelled during a year in which the Owner of the eligible improvements has received an exemption from municipal property taxes, a recapture amount is payable, calculated as equal to a percentage of the amount of the exemption with the percentage being equivalent to the percentage of the taxation year remaining from the date of cancellation.

9. Scope of Tax Exemption

The Owner acknowledges and agrees that the Tax Exemption applies solely in respect of municipal property taxes and will not apply, in respect, to any taxes levied by other agencies whether or not collected by the City, nor in respect of local improvement charges or any other taxes, fees, charges or levies of the City or any other agency or entity.

10. No Refund

SCHEDULE "A"

The Owner will not under any circumstances be entitled under the Bylaw, this Agreement or the Tax Exemption Certificate to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid, other than refunds that may result from or be associated with error corrections or assessment appeals.

11. Notice

Any notice, request, demand and other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered to the following addresses:

- (a) If to the City, at:

Chief Financial Officer
City of Castlegar
460 Columbia Avenue
Castlegar, British Columbia
V1N 1G7
Fax: 250 365 4810

- (b) If to the Owner, at:

Name and address of Owner

12. Assignment

The Owner will not assign any of its rights or obligations under this Agreement except to a subsequent owner in fee simple of the Parcels, and then only with the prior written consent of the City on conditions which may be determined at the sole discretion of the City.

13. No Right of Action

The Owner acknowledges and agrees that it will have no cause of action for and will not bring any action, suit or other claim whatsoever for any losses incurred if:

- (a) this Agreement is found, for any reason, to be illegal, invalid or unenforceable by a court of competent jurisdiction and in the event of the finding of such illegality, invalidity or unenforceability, the Owner will be obligated to pay all municipal property taxes which would otherwise have been payable by the Owner during the Term;
- (b) this Agreement and/ or the Tax Exemption Certificate is cancelled by the City and the Owner is required to pay any Recapture Amount;

SCHEDULE "A"

14. Expense

The expense of performing the obligations and covenants of the Owner contained in this Agreement, and of all matters incidental to them, is to be assumed solely by the Owner.

15. Interpretation

The headings and sub-headings in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and will not be taken into consideration in the interpretation or construction of, or affect the meaning of, this Agreement. Words importing the singular include the plural and vice versa.

16. Further Assurances

The parties will execute and deliver all such further documents and do such other things as the other party hereto may request in order for this Agreement to be given full effect.

17. No Derogation

Nothing contained or implied herein will prejudice or affect the rights and powers of the City in the exercise of its function under any public and private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Parcels as if this Agreement had not been executed and delivered by the Owner and the City.

18. Enurement

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

19. Execution by Counterpart

This Agreement may be executed in counterpart, and its delivery may be made by facsimile or other electronic transmission, and each such counterpart so executed will be as valid and binding as if it were an originally signed copy of a single agreement executed by both parties.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

CITY OF CASTLEGAR

by its authorized signatories:

Mayor

Director of Corporate Services

_____ *[Owner(s)]*
by its authorized signatories:

Name:

Owner

SCHEDULE "B"

APPLICATION FOR REVITALIZATION TAX EXEMPTION

Date: _____

Name: _____

Address: _____

Legal Description: _____

Role Number: _____

I hereby certify:

- a) I am the owner of the property identified in this application;
- b) I intend to renovate alter or expand (fill in general summary of project, may provide attachment) and have received all necessary authorizations for construction including a building permit;
- c) I acknowledge that the granting of a Revitalization Tax Exemption Certificate is subject to all conditions and requirements of the Revitalization Tax Exemption Bylaw, including but not limited to execution of a revitalization tax exemption agreement.

Signature of Applicant

SCHEDULE "C"

TAX EXEMPTION CERTIFICATE

Date of Issuance: _____

Term: _____

Date of Expiry: _____

Property Address: _____

Legal Description: _____

Property Roll Number: _____

The property identified above is hereby granted a tax exemption on the following basis:

From taxes resulting from the increase in assessed value due to the alteration or expansion of existing improvements. The tax exemption will be applied to this assessment as follows:

- a. Year ____ to ____ – 100% of the assessed value attributable to the alteration or expansion;
- b. Year ____ – 80% of the assessed value attributable to the alteration or expansion;
- c. Year ____ – 60% of the assessed value attributable to the alteration or expansion;
- d. Year ____ – 40% of the assessed value attributable to the alteration or expansion.

The increase in assessed value relates to the new assessment value associated with the alteration, renovation or expansion of the improvements on the parcel relating to building permit number _____.

This Certificate is subject to the condition that:

- a) the Owner continuously meet all of its covenants and obligations under the Revitalization Tax Exemption Agreement and the Revitalization Bylaw;
- b) all of the conditions under the Agreement for receipt of a tax exemption continue to be met;
- c) the Agreement not be subject to early termination. _____

SCHEDULE "C"

- d) If the Certificate is cancelled during a year in which the Owner has received an exemption from taxes, a recapture amount may be payable calculated as equal to a percentage of the amount of the exemption with the percentage derived from the period of the taxation year remaining from the date of cancellation.

Effective Date: This certificate does not apply to taxation in a calendar year unless it is issued before October 31 of the preceding year.

Issued by: _____

Chief Financial Officer

