

THE CORPORATION OF THE DISTRICT OF PEACHLAND

BYLAW No. 2035, 2012

A Bylaw to provide for a revitalization tax exemption

WHEREAS the Council of the District of Peachland may, by bylaw, provide for a revitalization tax exemption program in accordance with Section 226 of the Community Charter;

AND WHEREAS Council wishes to establish a revitalization tax exemption program to encourage property investment and revitalization in the Revitalization Area;

AND WHEREAS Council's objective is to stimulate and reinforce development initiatives in the Revitalization Area by promoting property investment within the Beach Avenue South and Waldo Way South precincts (as identified in the Sustainable Downtown Peachland Plan) and to reinforce the District's investment in infrastructure upgrades and beautification projects;

AND WHEREAS Council has designated the Revitalization Tax Exemption Area pursuant to the District of Peachland's Official Community Plan, Sustainable Downtown Peachland Plan;

AND WHEREAS the Community Charter provides that a revitalization tax exemption program bylaw may only be adopted after notice of the proposed bylaw has been given in accordance with Section 227 of the Community Charter;

NOW THEREFORE, the Council of the District of Peachland, in open meeting assembled, enacts as follows:

INTERPRETATION

1. In this bylaw:

"Agreement" means a revitalization tax exemption agreement, as set out in Schedule "B" attached hereto and forming part of this Bylaw, between the owner of a property located in the Revitalization Area as set out on Schedule "A" attached hereto and forming part of this Bylaw;

"Assessed Value" will have the same meaning as set out in the Assessment Act;

"Base Amount" means an assessed value of land and improvements used to calculate municipal property tax payable (excluding specified area levies) on a Property located in the Revitalization Area during the Base Amount Year;

"Base Amount Year" means the calendar year prior to the first calendar year in respect of which an Agreement applies to a property in the Revitalization Area and/or the calendar year in which the Revitalization Tax Exemption Certificate is issued;

"District" means the District of Peachland;

“Corporate Officer” means the Corporate Officer of the District of Peachland;

“Council” means the Council of the District of Peachland;

“Owner” means the legal registered owner and any subsequent owner of the Property or any parts into which the Property is subdivided, and includes any person who is a registered owner in fee simple of the Property from time to time;

“Property” means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Agreement;

“Revitalization Area” means an area designated and set out on Schedule “A” attached hereto and forming part of this Bylaw;

“Revitalization Tax Exemption” means a revitalization tax exemption pursuant to a Revitalization Tax Exemption Certificate;

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

2. There is established a revitalization tax exemption program which includes the following:

a) Revitalization Tax Exemptions authorized under this Bylaw applies to:

- (i) the construction of a new improvement where the construction has a value in excess of \$50,000.00, and;
- (ii) the alteration of an existing improvement where the alteration has a value in excess of \$50,000.00;

where the property is located within the Revitalization Area as set out on Schedule “A” attached hereto and forming part of this Bylaw.

b) Any construction of a new improvement or alteration of an existing improvement as outlined in Section 2 a) of this Bylaw undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration.

c) The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the assessed value of the improvements on the Property between:

- (i) The calendar year before the construction or alteration began, as outlined under Section 2 a) of this Bylaw; and
- (ii) The calendar year in which the construction or alteration as outlined under Section 2 a) of this Bylaw is completed.

d) The Property’s assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as outlined in Section 2 a) of this Bylaw, as a result of the Revitalization Tax Exemption.

- e) Any construction of a new improvement or alteration of an existing improvement must be commenced on or before December 31, 2016, and completed, with an occupancy permit if applicable, by December 31, 2018.
- f) The maximum term of a Revitalization Tax Exemption is contingent on when the Revitalization Tax Exemption Certificate for the Property is issued by the District pursuant to this Bylaw and the Agreement:
 - (i) if the construction or alterations as outlined in Section 2 a) of this Bylaw have commenced on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Revitalization Tax Exemption Certificate will be issued one (1) year and a subsequent Revitalization Tax Exemption Certificate will be issued for the next four (4) years. For commercial projects, a single renewal for a term of an additional five (5) years will be issued;
 - (ii) if the construction or alterations as outlined in Section 2 a) of this Bylaw have commenced and been completed on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Revitalization Tax Exemption Certificate will be issued for five (5) years. For commercial projects, a single renewal for a term of an additional five (5) years will be issued.
- g) The amount of Revitalization Tax Exemptions authorized under this bylaw to calculate the general municipal property tax payable (excluding specified area levies) is equal to any increase in the assessed value of improvements on the Property attributed to construction or alterations as outlined in Section 2 a) of this Bylaw (hereinafter referred to as the Total Amount) and is as follows:

For commercial projects:

| | | |
|-------|------------|---|
| (i) | Year 1 – 5 | Total Amount |
| (ii) | Year 6 | Total Amount less 20% |
| (iii) | Year 7 | Total Amount less 40% |
| (iv) | Year 8 | Total Amount less 60% |
| (v) | Year 9 | Total Amount less 80% |
| (vi) | Year 10 | Total Amount less 100% - No Revitalization Tax Exemption – the Property is fully taxable. |

For multi-family residential projects:

| | | |
|-----|------------|-------------------------------------|
| (i) | Year 1 – 5 | 50% of the municipal property taxes |
|-----|------------|-------------------------------------|

- 3. The kinds of property revitalization that will be eligible for a Revitalization Tax Exemption under this Bylaw will be limited to property zoned commercial, or used or intended to be used for

commercial purposes, and multi-family residential properties, in the Beach Avenue South and Waldo Way South precincts.

4. This Bylaw does not apply to a property unless:
 - a) The property is located in the Revitalization Area shown on Schedule "A" attached hereto and forming part of this Bylaw; and
 - b) The Owner of the property has entered into an Agreement with the District as set out in Schedule "B" attached hereto and forming part of this Bylaw.
5. Where a property is partially within the Revitalization Area, this Bylaw shall apply where at least 50% of the property lies within the Revitalization Area.
6. Once the conditions established under this Bylaw and the Agreement as set out in Schedule "B" attached hereto and forming part of this Bylaw, have been met, a Revitalization Tax Exemption Certificate must be issued for the Property.
7. The Revitalization Tax Exemption Certificate must, in accordance with the conditions established in this Bylaw and the Agreement set out in Schedule "B" attached hereto and forming part of this Bylaw, specify the following:
 - a) the amount of Revitalization Tax Exemption or the formula for determining the Revitalization Tax Exemption;
 - b) the term of the Revitalization Tax Exemption;
 - c) the conditions on which the Revitalization Tax Exemption is provided; and
 - d) that a recapture amount is payable if the Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.
8. If an Owner wants to apply for a Revitalization Tax Exemption under the Bylaw, the Owner must apply to the Director of Planning and Development Services in writing and must submit the following with the application:
 - a) a certificate that all taxes assessed and rates, charges, and fees imposed on the Property have been paid and where taxes, rates or assessments are payable by installments, that all installments owing at the date of the certificate have been paid; the provision for Development Cost Charge instalments shall be pursuant to Section 933 of the Local Government Act and Regulation 166/84;
 - b) a completed written application as per Schedule "C" attached hereto and forming part of this Bylaw;
 - c) a description of the construction or alteration as outlined in Section 2 a) of this Bylaw, that would be eligible under the Bylaw for a Revitalization Tax Exemption;

- d) an examination fee in the amount of \$250.00; and
 - e) a copy of the Agreement as set out in Schedule "B" attached hereto and forming part of this Bylaw, duly executed by and on behalf of the Owner.
9. If, pursuant to the terms and conditions specified in the Agreement of the Tax Exemption Certificate, the certificate is cancelled, the owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the District an amount equal to the value of any exemption received after the date of the cancellation.
10. A Revitalization Tax Exemption Certificate will be cancelled if:
- a) the Owner breaches any covenant or condition of this Bylaw or the Agreement set out in Schedule "B" attached hereto and forming part of this Bylaw;
 - b) the Owner has allowed the property taxes to go into arrears or to become delinquent; or
 - c) the property is put to a use that is not permitted in the commercial zones.
11. The Corporate Officer is hereby authorized to execute the documentation necessary to give effect to the provisions of this Bylaw, including the Agreement set out in Schedule "B" attached thereto and forming part of this Bylaw.
12. If any section or phrase of this Bylaw is for any reason held to be invalid by a decision of any Court of competent jurisdiction, it shall be severed and the invalidity of the remaining provisions of this Bylaw shall not be affected.
13. Any enactments referred to herein is a reference to an enactment of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time.
14. This Bylaw shall come into full force and effect upon adoption of same.
15. This Bylaw may be cited as "District of Peachland Revitalization Tax Exemption Bylaw No. 2035."

READ A FIRST TIME, this 12th day of February, 2013.

READ A SECOND TIME, this 12th day of February, 2013.

READ A THIRD TIME, this 12th day of February, 2013.

FINALLY RECONSIDERED AND ADOPTED, this 26th day of February, 2013.

Mayor

Corporate Officer

Dated at Peachland, B.C.

This 26th day of February, 2013



Schedule "A" to Bylaw No. 2035 - Revitalization Area

SCHEDULE "B"

BYLAW NO. 2035

Revitalization Tax Exemption Agreement

This Agreement dated for reference the _____ day of _____, 20____.

BETWEEN

Name and Address of Owner (hereinafter called the Owner)

OF THE FIRST PART

AND

The District of Peachland (hereinafter called the District)
5806 Beach Avenue
Peachland, BC
VOH 1Z7

OF THE SECOND PART

WHEREAS the District has under the Bylaw defined in this Agreement established a revitalization tax exemption program for the purpose of encouraging revitalization of an area of the municipality;

AND WHEREAS Council's objective is to stimulate and reinforce development initiatives in the Revitalization Area by promoting property investment within the Beach Avenue South and Waldo Way South precincts (as identified in the Sustainable Downtown Peachland Plan) and to reinforce the District's investment in infrastructure upgrades and beautification projects;

AND WHEREAS the Property that is the subject of this Agreement is located in an area designated by the District Council as a Revitalization Area legally described as _____ (hereinafter referred to as the Property);

AND WHEREAS the Owner is a registered Owner in fee simple of the Property defined in this Agreement;

AND WHEREAS this Agreement contains the terms and conditions respecting the provision of a Revitalization Tax Exemption under the Bylaw defined in this Agreement;

AND WHEREAS the Property that is subject of this Agreement is zoned commercial (or used for commercial purposes when it is part of a Comprehensive Development Zone) or multi-family and shall remain zoned commercial (or used for commercial purposes) or multi-family as applicable, for the duration of this Agreement;

AND WHEREAS the Owner and the District wish to enter into this Agreement.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and the payment by the Owner to the District consideration in the amount of \$10.00 (ten) Dollars, the receipt and sufficiency of which are acknowledged by the District, the District and Owner covenant and agree with each other as follows:

DEFINITIONS

1. In this Agreement the following words have the following meanings:

“Agreement” means this Agreement, including the standard charge terms contained in this Agreement;

“Assessed Value” means the most recent assessed value of the Property as determined by the BC Assessment Authority in the area in which the Property is located; if such value is not available then the assessed value means the highest price in terms of money that the real property will fetch under all conditions requisite to a fair sale with the buyer and seller, each acting prudently, knowledgeable and assuming the price is not affected by undue stimulus as estimated by a real estate appraiser accredited in the jurisdiction in which the Property is located;

“Bylaw” means “District of Peachland Revitalization Tax Exemption Bylaw No. _____” in force from time to time;

“Council” means the Council of the District of Peachland;

“Owner” means the legal registered owner and any subsequent owner of the Property or any parts into which the Property is subdivided, and includes any person who is a registered owner in fee simple of the Property from time to time;

“Property” means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Agreement.

TERM

2. The Owner covenants and agrees with the District that the term of this Agreement is:
 - a) 5 years commencing on January 1 of the first calendar year after the calendar year that the Revitalization Tax Exemption Certificate is issued.
 - b) For commercial projects only, a renewal term of an additional 5 years at the election of the Owner.

RENEWAL

3. The Owner of commercial projects must make application to the District for a renewal by October 31 in the year prior to the year in which the Revitalization Tax Exemption is requested to qualify for a renewal for the additional 5 years referred to in 2 b) above.

APPLICATION IMPROVEMENTS

4. The Revitalization Tax Exemption authorized under the Bylaw applies to:
 - a) Construction of a new improvement where the value of the construction referred to in the building permit is in excess of \$50,000.00; or
 - b) Alteration of an existing improvement, where the value of the alteration referred to in the building permit is in excess of \$50,000.00.

Any construction of a new improvement or alteration of an existing improvement as outlined in this section that is undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration.

REVITALIZATION TAX EXEMPTION CERTIFICATE

5. a) Once the Owner has completed the construction of the new improvement or alteration of an existing improvement referred to in Section 4 of this Agreement and the District has issued an Occupancy Permit under the District's Building Regulation Bylaw, in force from time to time, in respect of the new improvement or alteration of an existing improvement, the District must issue a Revitalization Tax Exemption Certificate to the Owner of the Property if the Owner and the Property are otherwise in compliance with this Agreement.
- b) A Revitalization Tax Exemption Certificate must, in accordance with the Bylaw and this Agreement, specify the following:
 - i) the amount of the Revitalization Tax Exemption or the formula for determining the Revitalization Tax Exemption;
 - ii) the term of the Revitalization Tax Exemption;
 - iii) the conditions on which the Revitalization Tax Exemption is provided; and
 - iv) that a recapture amount is payable if the Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.

REVITALIZATION TAX EXEMPTION

6. So long as a Revitalization Tax Exemption Certificate in respect of the Property has not been cancelled, the Property is exempt, to the extent, for the period and subject to the conditions provided in the Revitalization Tax Exemption Certificate, from municipal property taxation (excluding specified area levies).

7. The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the assessed value of the improvements on the Property between:
 - a) the calendar year before the construction or alteration began, as outlined in Section 4 of this Agreement; and
 - b) the calendar year in which the construction or alteration as outlined in Section 4 of this Agreement is completed.

8. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to new construction of an improvement or an alteration of an existing improvement, as outlined in Section 4 of this Agreement, as a result of the Revitalization Tax Exemption.

9. The Revitalization Tax Exemption shall be an amount equal to any increase in assessed value of improvements on the Property attributed to the building permit issued as a result of the new construction of an improvement or the alteration of an existing improvement, as outlined in Section 4 of this Agreement.

10. The maximum term of a Revitalization Tax Exemption is contingent on when the Revitalization Tax Exemption Certificate for the Property is used by the District pursuant to the Bylaw and the Agreement:
 - a) if the construction or alterations as outlined in Section 4 of this Agreement have commenced on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Revitalization Tax Exemption Certificate will be issued for one (1) year and a subsequent Revitalization Tax Exemption Certificate will be issued for the next four (4) years. For commercial projects, a single renewal for a term of an additional five (5) years will be issued;
 - b) if construction or alterations as outlined in Section 4 of this Agreement have commenced and been completed on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Revitalization Tax Exemption Certificate will be issued for five (5) years. For commercial projects, a single renewal for a term of an additional five (5) years will be issued.

11. The amount of Revitalization Tax Exemptions authorized under this Bylaw to calculate the general municipal property tax payable (excluding specified area levies) is equal to any increase in the assessed value of improvements on the Property attributed to construction or alterations as outlined in Section 4 of this Agreement (hereinafter referred to as the Total Amount) and is as follows:

For Commercial Projects:

- | | | |
|----|------------|-----------------------|
| a) | Year 1 – 5 | Total Amount |
| b) | Year 6 | Total Amount less 20% |
| c) | Year 7 | Total Amount less 40% |
| d) | Year 8 | Total Amount less 60% |

- e) Year 9 Total Amount less 80%
- f) Year 10 Total Amount less 100% - No Revitalization Tax Exemption, the Property is fully taxable.

For Multi-Family Residential Projects:

- g) Year 1 – 5 50% of the municipal property tax
12. The Revitalization Tax Exemption Certificate may be cancelled by the District:
- a) on the request of the Owner;
 - b) if the zoning is changed;
 - c) the Owner breaches any covenant or condition of the Bylaw or this Agreement;
 - d) the Owner has allowed the property taxes to go into arrears or to become delinquent; or
 - e) the Property is put to a use that is not permitted in the applicable zone.
13. To maintain a Revitalization Tax Exemption, the Occupancy Permit must be issued within twenty-four (24) months of the Revitalization Tax Exemption application being approved.

RECAPTURE

14. If, pursuant to the terms and conditions specified in the Agreement of the Tax Exemption Certificate, the certificate is cancelled, the owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the District an amount equal to the value of any exemption received after the date of the cancellation.

OWNERS OBLIGATIONS

15. The Owner must pay to the District, the cost of all tie-ins of works and services associated with the new improvements or alteration to improvements, to existing storm and sanitary sewers, water mains, water meters, driveways, and other municipal services prior to the issuance of a Revitalization Tax Exemption Certificate.
16. The Owner must comply with:
- a) all enactments, laws, statutes, regulations and Orders of any authority having jurisdiction, including bylaws of the City; and
 - b) all federal, provincial, municipal and environmental licenses, permits and approvals required under applicable enactments.

OBLIGATIONS OF DISTRICT

17. The District must issue a Revitalization Tax Exemption Certificate to the Owner in respect of the Property once the Owner has applied for and obtained an Occupancy Permit from the District under the District's Building Regulation Bylaw, in force from time to time, in relation to the new improvements or alterations to an existing improvement, so long as the Owner and the Property are otherwise in compliance with the Bylaw and this Agreement.

DISTRICT'S RIGHTS AND POWERS

18. Nothing contained or implied in this Agreement prejudices or affects the District's rights and powers in the exercise of its functions or its rights and powers under any public and private statutes, bylaws, orders, or regulations to the extent the same are applicable to the Property, all of which may be fully and effectively exercised in relation to the Property as if this Agreement had not been executed and delivered by the Owner.

GENERAL PROVISIONS

19. The District of Peachland's Revitalization Tax Exemption Bylaw No. 2035 and amendments thereto form an integral part of this Agreement.
20. It is mutually understood, agreed and declared by and between the parties that the District has made no representations, covenants, warranties, guarantees, promises, or agreements (oral or otherwise), expressed or implied, with the Owner other than expressly contained in this Agreement.
21. It is further expressly agreed that the benefit of all covenants made by the Owner herein shall accrue solely to the District and this Agreement may only be modified by agreement of the District with the Owner.
22. This Agreement shall inure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
23. The Owner shall, on the request of the District, execute and deliver or cause to be executed and delivered, all such further transfers, agreements, documents, instruments, easements, statutory rights of way, deeds and assurances, and do and perform or cause to be done and performed, all such acts and things as may be, in the opinion of the District, necessary to give full effect to the intent of this Agreement.
24. Time is of essence of this Agreement.
25. This Agreement constitutes the entire agreement between the Owner and the District with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the District with the Owner.
26. Any notice or other communication required or contemplated to be given or made by any provision of this Agreement shall be given or made in writing and either delivered personally (and if so shall be deemed to be received when delivered) or mailed by prepaid registered mail in any Canada Post Office (and if so, shall be deemed to be delivered on the sixth business day following such mailing except that, in the event of

interruption of mail service notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is addressed as follows:

to the Owner at:

and

to the District at:

District of Peachland
5806 Beach Avenue
Peachland, BC
V0H 1X7

Attention: Corporate Officer

or to such other address to which a party hereto from time to time notifies the other parties in writing.

27. a) No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement; and
b) Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
28. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the District.
29. This Agreement shall be construed according to the laws of the Province of British Columbia.
30. A reference in this Agreement to the District or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
31. This Agreement is effective from and after the reference date in this Agreement, but only if this Agreement has been executed and delivered by the Owner executed by the District.
32. Unless otherwise expressly provided in this Agreement, the expense of performing the obligations and covenants of the Owner contained in this Agreement, and of all matters incidental to them, is solely that of the Owner.
33. The Owner represents and warrants to the District that:
 - a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;

- c) neither the execution and delivery, nor the performance, of this Agreement shall breach any other Agreement or obligation, or cause the Owner to be in default of any other Agreement or obligation, respecting the Property; and
- d) the Owner has the corporate capacity and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF the parties have affixed their hands and seals and where a party is a corporate entity, the corporate seal of that company has been affixed in the presence of its duly authorized officers effective the day and year first recited above

Witness

SIGNED, SEALED AND DELIVERED BY THE DISTRICT OF PEACHLAND in the presence of:

Mayor

Corporate Officer

SIGNED BY THE OWNER OF THE ABOVE NOTED PROPERTY in the presence of:

Witness

Authorized Signature

Building Permit No. _____

SCHEDULE "C"

BYLAW NO. 2035

Application for Revitalization Tax Exemption

Date _____ Receipt No. _____ Application No. _____

Property Owner/Applicant _____

Mailing Address _____

Telephone No. _____ Cell No. _____

Subject Property

Roll No. _____ Civic Address _____

Legal Description _____

Zoning Designation _____

Current Assessed Value _____ Business Licence No. _____

Description of Proposed Revitalization _____

Year(s) Applying For _____

Value of Construction _____ Building Permit No. _____

Note: Additional backup information may be required.

I certify that the above information is to my knowledge accurate and that I have received and read the Revitalization Tax Exemption Bylaw and applicable schedules.

Property Owner/Applicant

Date

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