



# THE DISTRICT OF HOPE

## BYLAW NO. 1353

*A bylaw to establish a Revitalization Tax Exemption Program*

**WHEREAS** under Section 226 of the *Community Charter*, Council may, by bylaw, establish a Revitalization Tax Exemption Program (RTEP);

**AND WHEREAS** Council wishes to establish a Revitalization Tax Exemption Program for specific designated areas;

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

**NOW, THEREFORE**, the Council of the District of Hope in open meeting assembled enacts the Bylaw as follows:

1. This bylaw may be cited for all purposes as the “*District of Hope Revitalization Tax Exemption Bylaw No. 1353, 2014.*”

**2. TABLE OF CONTENTS:**

1) Title.....	1
2) Table of Contents.....	1
3) Definitions .....	2
4) Revitalization Tax Exemption Program Objectives .....	3
5) Revitalization Tax Exemption Program Eligibility .....	3
6) Extent of Revitalization Tax Exemption .....	6
7) Revitalization Tax Exemption Program Application .....	6
8) Tax Exemption Certificate.....	7
9) Revitalization Tax Exemption Certificate Cancellation .....	7
10) Recapture of Exempted Taxes .....	8
11) Severability .....	8
12) Designated Municipal Officer .....	8
13) Repeal .....	8
14) Effective Date .....	8
Schedule “A” – Hope Revitalization Areas.....	9
Schedule “B” – Hope Revitalization Tax Exemption Certificate.....	10

### 3. DEFINITIONS

In this bylaw:

“**Agreement**” means a revitalization agreement between the property owner of a parcel and the District, in a format provided by the District of Hope in a separate document;

“**District**” means the District of Hope;

“**Increased Assessed Value**” means the difference, as per values determined by the British Columbia Assessment Authority, in the assessed value of a Parcel between:

- (a) the year before the construction of the new improvement or alteration of an existing improvement began; and
- (b) the year in which the Tax Exemption Certificate is issued.

“**Investment Threshold(s)**” means the amount of capital investment required to be eligible to apply for the Revitalization Tax Exemption Program;

“**Parcel**” has the same meaning as in the Schedule (Definition and Rules of Interpretation) to the *Community Charter*;

“**Project**” means a revitalization project on a parcel involving the construction of a new improvement or alteration of an existing improvement;

“**Revitalization Areas**” means areas that have been designated and defined in Schedule “A” which is attached to and forms a part of this bylaw;

“**Revitalization Tax Exemption Program Application**” means an application to the District of Hope for a Revitalization Tax Exemption according to this bylaw;

“**Significant Development**” means development that requires a capital investment that meets the minimum requirements as described in Section 5: REVITALIZATION TAX EXEMPTION PROGRAM ELIGIBILITY;

“**Tax Exemption**” means a revitalization tax exemption pursuant to a Tax Exemption Certificate reflecting exemption only from the Municipal portion of annual property taxes levied against any qualifying parcel;

“**Tax Exemption Certificate**” means a revitalization tax exemption certificate issued by the District pursuant to this bylaw and pursuant to Section 226 of the *Community Charter*, in the form attached as Schedule “B”, which is attached to and forms part of this bylaw.

#### **4. REVITALIZATION TAX EXEMPTION PROGRAM OBJECTIVES**

Pursuant to Section 226 of the *Community Charter*, the District of Hope Council hereby establishes a Revitalization Tax Exemption Program (RTEP) as follows:

- a) The objectives of the RTEP are to encourage new investment in Hope's industrial zones, commercial zones, and downtown areas, as described in Schedule "A";
- b) Encouraging new investment in these areas is intended to create economic activity in Hope that will provide jobs for local residents and will provide incentives for new residents to move to Hope.
- c) The RTEP is intended to accomplish these objectives by providing municipal tax relief to property owners who undertake significant development within the Revitalization Areas.

#### **5. REVITALIZATION TAX EXEMPTION PROGRAM ELIGIBILITY**

Property owners are eligible to apply for the RTEP having satisfied the criteria as follows:

- a) Commercial or Industrial Parcels that are eligible for the RTEP must fall within the Revitalization Areas, as described in Schedule "A";
- b) Any improvements proposed or undertaken, that do not conform to the current Zoning and Land Use Bylaws are not eligible for this program;
- c) Residential units do not qualify unless they are defined as a permitted multi-family development or if a dwelling unit is incorporated within the principle commercial or industrial buildings;
- d) Calculations are made for each component based on Investment Thresholds that the property owner has to meet in order to be eligible for the tax exemption associated with each threshold. Project values are determined by the construction value that is determined by the Building Official in the calculation for the building permit fee;
- e) Construction values calculations for improvements not requiring a building permits will be determined by consulting estimates from verifiable suppliers or contractors;
- f) There are three sub-types of RTEP, corresponding to the three Areas as described in Schedule "A":

##### **i) Industrial Revitalization Tax Exemption**

###### **(1) Eligibility Requirements**

###### **(a) Applicable Area**

- (i) The project must be located in the Industrial Revitalization Tax Exemption Area as described in Schedule "A"

(b) Investment Threshold

(i) New Construction

1. There is no minimum building permit value for new industrial construction projects to be eligible.

(ii) Renovation or Alteration

1. The building permit value of an industrial renovation or alteration project must be in excess of \$50,000.

(c) Time Period

- (i) A building permit for the project must be dated after the effective date of this bylaw and prior to its expiry as per Section 14 of this bylaw

(2) Amount of Tax Exemption

(a) The amount of Tax Exemption provided for Industrial Revitalization Projects shall be as follows:

- |       |         |                                      |
|-------|---------|--------------------------------------|
| (i)   | Year 1: | 100% of the Increased Assessed Value |
| (ii)  | Year 2: | 100% of the Increased Assessed Value |
| (iii) | Year 3: | 80% of the Increased Assessed Value  |
| (iv)  | Year 4: | 60% of the Increased Assessed Value  |
| (v)   | Year 5: | 40% of the Increased Assessed Value  |
| (vi)  | Year 6: | 20% of the Increased Assessed Value  |
| (vii) | Year 7: | 10% of the Increased Assessed Value  |

**ii) Commercial Revitalization Tax Exemption**

(1) Eligibility Requirements

(a) Applicable Area

- (i) The project must be located in the Commercial Revitalization Tax Exemption Area as described in Schedule "A"

(b) Investment Threshold

(i) New Construction

1. The building permit value of a new commercial construction project must be in excess of \$400,000.

(ii) Renovation or Alteration

1. The building permit value of a commercial renovation or alteration project must be in excess of \$50,000.

(iii) Façade Improvement

1. The value of a commercial façade improvement must be in excess of \$10,000.

(c) Time Period

- (i) A building permit for the project must be dated after the effective date of this bylaw and prior to its expiry as per Section 14 of this bylaw

(2) Amount of Tax Exemption

- (a) The amount of Tax Exemption provided for Commercial Revitalization Projects shall be as follows:

(i)	Year 1:	100% of the Increased Assessed Value
(ii)	Year 2:	100% of the Increased Assessed Value
(iii)	Year 3:	80% of the Increased Assessed Value
(iv)	Year 4:	60% of the Increased Assessed Value
(v)	Year 5:	40% of the Increased Assessed Value
(vi)	Year 6:	20% of the Increased Assessed Value
(vii)	Year 7:	10% of the Increased Assessed Value

**iii) Downtown Revitalization Tax Exemption**

(1) Eligibility Requirements

(a) Applicable Area

- (i) The project must be located in the Downtown Revitalization Tax Exemption Area as described in Schedule “A”

(b) Investment Threshold

(i) New Construction

1. The building permit value of a commercial construction project must be in excess of \$400,000

(ii) Renovation or Alteration

1. The building permit value of a commercial renovation or alteration project must be in excess of \$20,000

(iii) Façade Improvement

1. The value of a commercial façade improvement must be in excess of \$10,000

(c) Time Period

- (i) A building permit for the project must be dated after the effective date of this bylaw and prior to its expiry as per Section 14 of this bylaw

(2) Amount of Tax Exemption

- (a) The amount of Tax Exemption provided for Downtown Revitalization Projects shall be as follows:

- (i) Year 1: 100% of the Increased Assessed Value
- (ii) Year 2: 100% of the Increased Assessed Value
- (iii) Year 3: 100% of the Increased Assessed Value
- (iv) Year 4: 100% of the Increased Assessed Value
- (v) Year 5: 85% of the Increased Assessed Value
- (vi) Year 6: 70% of the Increased Assessed Value
- (vii) Year 7: 55% of the Increased Assessed Value
- (viii) Year 8: 40% of the Increased Assessed Value
- (ix) Year 9: 25% of the Increased Assessed Value
- (x) Year 10: 10% of the Increased Assessed Value

**6. EXTENT OF REVITALIZATION TAX EXEMPTION**

The maximum Tax Exemption provided under this bylaw shall not exceed the Increased Assessed Value of the Land and Improvements on the Parcel between:

- a) The year before the construction or the alteration began; and
- b) The year in which the tax exemption certificate under this bylaw is issue.

**7. REVITLIZATION TAX EXEMPTION PROGRAM APPLICATION**

In order for a parcel to be considered for a tax exemption, the property owner must:

- a) Submit a completed application package to the District prior to August 1st of the preceding year, and include the following:
  - i) A completed Revitalization Tax Exemption Program Application Form as prescribed by the District and available at the District Hall;
  - ii) A tax certificate verifying all taxes assessed, rates, charges and fees imposed on the parcel have been paid and, where taxes, rates or assessments are payable by instalments, that all instalments owing at the date of the application have been paid;

- iii) A completed Hope Revitalization Tax Exemption Agreement;
- iv) An examination fee in the amount of \$100;
- v) A certified copy of all applicable permits, including a building permit;
- vi) Verifiable Cost Estimates, including:
  - (1) A Building Permit showing the construction value, or
  - (2) Where a Building Permit is not required (such as in certain façade improvements), official project estimates from verifiable suppliers or contractors must be included.

## **8. TAX EXEMPTION CERTIFICATE**

- a) The District shall issue a Tax Exemption Certificate to the property owner of the parcel if the property owner and the parcel are:
  - i) In compliance with this Bylaw and the Exemption Agreement; and,
  - ii) The property owner has applied for and has obtained an Occupancy Permit from the District under the District's Building Bylaw No. 972 as amended, consolidated or replaced from time to time, in relation to the new improvement of the alternations to an existing improvement
    - (1) Where the improvements or alterations do not require, such as in the case of façade improvements, the property owner must request and obtain written confirmation of project completion from the Director of Community Development.
- b) The District may issue an interim Tax Exemption Certificate to the property owner for the year of construction of new improvements or alteration of existing improvements, with a further Tax Exemption Certificate issued for additional years (as determined by the eligibility requirements of this bylaw) as of the next assessment year.

## **9. REVITALIZATION TAX EXEMPTION CERTIFICATE CANCELLATION**

- a) A Tax Exemption Certificate may be cancelled by Council at any time:
  - i) On the request of the property owner; or
  - ii) Effective immediately upon delivery of a notice of cancellation to the property owner if at any time, in the opinion of Council, any of the conditions in the Certificate or Agreement are not met.

## 10. RECAPTURE OF EXEMPTED TAXES

- a) If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the Property Owner's Certificate is cancelled, then the property owner shall remit to the District, no later than 30 days after receipt of the cancellation notice, an amount calculated as follows:
  - i) 
$$\frac{\text{(Number of days remaining in taxation year after Cancellation Date)}}{365 \text{ days}} \times \text{(Value of Tax Exemption)}$$
  - b) The amount of the recapture is a debt due and owing to the District by the property owner for which the Tax Exemption Certificate was issued.
  - c) The amount of the recapture constitutes municipal taxes owing and may be collected in the same manner as property taxes.

## 11. SEVERABILITY

- a) The provisions of this bylaw are severable, and if, for any reason, any subdivision, part, section, subsection, clause or sub-clause, or other words in this bylaw are, for any reason, found to be invalid and unenforceable by the decision of a Court of competent jurisdiction, then that decision shall not affect the validity of the remaining portions of this Bylaw.

## 12. DESIGNATED MUNICIPAL OFFICER

- a) The Director of Finance for the District is the designated municipal officer for the purpose of Section 226 (13) of the *Community Charter*.

## 13. REPEAL

- a) The "District of Hope Revitalization Tax Exemption Bylaw No. 1337, 2013" and all amendments thereto are hereby repealed.

## 14. EFFECTIVE DATE

- a) This bylaw will take effect upon adoption of the bylaw and is valid until September 30, 2018.

Read a first, second and third time this 23<sup>rd</sup> day of June, 2014.

Advertised July 17<sup>th</sup> and 24<sup>th</sup>, 2014, pursuant to section 226 of the *Community Charter*.

Adopted this 28<sup>th</sup> day of July, 2014.

  
\_\_\_\_\_  
Mayor

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





**District of Hope**  
**SCHEDULE "A" – Hope Revitalization Areas**

As per the "District of Hope Zoning Bylaw No. 1353, 2014", as amended, consolidated or replaced from time to time, the following zones form the Hope Revitalization areas:

**1. Industrial Revitalization Area**

- (a) All Industrial (I) Zones excluding all Comprehensive Development (CD) Zones.

**2. Commercial Revitalization Area**

- (a) All Commercial (C) Zones excluding all Downtown Commercial (CBD) Zones.

**3. Downtown Revitalization Area**

- (a) All CBD Zones



### District of Hope SCHEDULE “B” – Hope Revitalization Tax Exemption Certificate

Section 226 of the *Community Charter*, SBC 2003, c. 26

This certificate certifies that the Property (as defined below) is subject to a revitalization tax exemption in an amount equal to the amount of any increase in property taxes which would otherwise be payable as a result of any increase in the assessed value of improvement on the Property (as hereinafter defined) between (the calendar year before the commencement of construction of the project) and the (calendar year following the calendar year in which the Certificate is issued) (the “Tax Exemption”), subject to a maximum aggregate exemption prescribed by the formula in Section 226 (5) of the *Community Charter*.

Property:      Folio:      P.I.D.

Address:

The tax exemption is for a \_\_\_\_\_ Revitalization Tax Exemption for the calendar years commencing with the year \_\_\_\_\_ and ending with the year \_\_\_\_\_.

The Tax Exemption is provided on the following conditions:

1. The property owner does not breach any covenant or condition in the Agreement and performs all obligations to be performed by the property owner set out in the Agreement;
2. The property owner has not sold all or any portion of his or her equitable or legal fee simple interest in the Property without the transferee taking an assignment of the Agreement, and agreeing to be bound by it;
3. The property owner, or a successor in title to the property owner, has not allowed the property taxes for the Property to go into arrears or to become delinquent;
4. The property owner, or a successor in title to the property owner, does not apply to amend the District of Hope Zoning Bylaw, as amended, consolidated or replaced from time to time, to rezone the Property from its Commercial zoning to any other zone;
5. The Property is not put to any use that is not permitted in the identified Revitalization Tax Exemption area as per Schedule “A” of this bylaw;
6. The Exempt Use (as defined in the Agreement) of the Project is not discontinued;
7. For Industrial Revitalization Tax Exemption the amount of tax exemption provided shall be:
 

(i) Year 1:	100% of the Increased Assessed Value
(ii) Year 2:	100% of the Increased Assessed Value
(iii)Year 3:	80% of the Increased Assessed Value
(iv)Year 4:	60% of the Increased Assessed Value
(v) Year 5:	40% of the Increased Assessed Value
(vi)Year 6:	20% of the Increased Assessed Value
(vii)Year 7:	10% of the Increased Assessed Value

**District of Hope**  
**SCHEDULE “B” – Hope Revitalization Tax Exemption Certificate**  
**continued**

8. For Commercial Revitalization Tax Exemption the amount of tax exemption provided shall be:
  - (i) Year 1: 100% of the Increased Assessed Value
  - (ii) Year 2: 100% of the Increased Assessed Value
  - (iii) Year 3: 80% of the Increased Assessed Value
  - (iv) Year 4: 60% of the Increased Assessed Value
  - (v) Year 5: 40% of the Increased Assessed Value
  - (vi) Year 6: 20% of the Increased Assessed Value
  - (vii) Year 7: 10% of the Increased Assessed Value
9. For Downtown Revitalization Tax Exemption the amount of tax exemption provided shall be:
  - (i) Year 1: 100% of the Increased Assessed Value
  - (ii) Year 2: 100% of the Increased Assessed Value
  - (iii) Year 3: 100% of the Increased Assessed Value
  - (iv) Year 4: 100% of the Increased Assessed Value
  - (v) Year 5: 85% of the Increased Assessed Value
  - (vi) Year 6: 70% of the Increased Assessed Value
  - (vii) Year 7: 55% of the Increased Assessed Value
  - (viii) Year 8: 40% of the Increased Assessed Value
  - (ix) Year 9: 25% of the Increased Assessed Value
  - (x) Year 10: 10% of the Increased Assessed Value
10. Recapture of Exempted Taxes;
  - a) If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the Property Owner’s Certificate is cancelled, then the property owner shall remit to the District, no later than 30 days after receipt of the cancellation notice, an amount calculated as follows:
    - i) 
$$\frac{\text{(Number of days remaining in taxation year after Cancellation Date)}}{365 \text{ days}} \times \text{(Value of Tax Exemption)}$$
  - b) The amount of the recapture is a debt due and owing to the District by the property owner for which the Tax Exemption Certificate was issued.
  - c) The amount of the recapture constitutes municipal taxes owing and may be collected in the same manner as property taxes.

Issued by: \_\_\_\_\_  
District of Hope, Director of Finance

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

If any of the conditions of the agreement are not met, then the Council of the District of Hope may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, the owner of the property for which the certificate was issued will remit to the District an amount equal to the value of the exemption received after the date of the cancellation of the certificate, as per section 10 of this bylaw.