



Bylaw No. 1208, 2019

Revitalization Tax Exemption Bylaw

Being a bylaw of the District of Vanderhoof pursuant to Section 226 of the Community Charter to establish a Revitalization Tax Exemption Program.

WHEREAS Council may, by bylaw, establish a Revitalization Tax Exemption Program for Eligible Projects that is applicable to all Property Classes;

AND WHEREAS Council may designate an area as a Revitalization Area;

AND WHEREAS, Council may, by bylaw, establish a Revitalization Tax Exemption Program to encourage various types of revitalization to achieve a range of economic, social and environmental objectives;

AND WHEREAS, Council has included the designated Revitalization Area bounded as shown in Schedule 'A' within the "District of Vanderhoof Five Year Financial Plan" and has provided reasons for that designation, as required by the Community Charter;

AND WHEREAS, the Community Charter requires a municipality to set out in its Financial Plan the objectives and policies in relation to the use of permissive tax exemptions and such provision have been set out in the District of Vanderhoof Five Year Financial Plan Bylaw No. 1200, 2019;

AND WHEREAS the purpose of this Bylaw is to encourage the economic revitalization and economic growth of the District of Vanderhoof by developing a Revitalization Tax Exemption Program, which includes specific tax exemption incentives for new construction or the renovation of an existing improvement within the municipal boundaries of the District;

AND WHEREAS the reasons for and the objectives of the Revitalization Tax Exemption Program are to:

- a) provide Owners with an economic incentive to encourage spending on construction in the form of a tax exemption for the development of eligible new construction or renovations to existing building(s);
- b) focus on new construction or renovations to an existing building(s) that is over a certain threshold, reflecting a significant investment in the District;
- c) increase foot traffic, activity, and character of the building(s) in the District; and

- d) increase local employment opportunities.

AND WHEREAS the Revitalization Tax Exemption Program may accomplish its goals by:

- a) reducing the tax burden in the first five years of spending on construction;
- b) setting a minimum dollar value on the spending for Eligible Project; and
- c) providing certainty to applicants on the availability and the terms and conditions on which the District will grant the revitalization tax exemption.

AND WHEREAS the Community Charter requires that notice be provided of the creation of such a revitalization tax exemption and such notice has been provided by Council;

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

1. This Bylaw may be cited for all purposes as “District of Vanderhoof Revitalization Tax Exemption Bylaw No. 1208, 2019”.
2. The Schedules to this Bylaw form a part of and are enforceable in the same manner as this Bylaw.

2.0 INTERPRETATION

2.1 In this Bylaw, the following definitions shall apply:

- a. **“Agreement”** means a revitalization tax exemption agreement between the Owner of a Parcel and the District, in the format attached to, and forming part of, this Bylaw as Schedule ‘B’;
- b. **“Assessed Value”** means the value of buildings and their improvements in a specified year, as determined by the Assessment Authority in the assessment region of the Province of British Columbia in which the buildings and improvements are located;
- c. **“Calendar Year”** and **“Year”** means all months inclusive from January to December;
- d. **“Chief Financial Officer”** means the person designated by Council as the District’s Financial Officer and includes his or her designate, who for the purpose of this Bylaw is designated to perform the functions set out in for the purpose of Section 226 (13) of the Community Charter.
- e. **“Council”** means the Council of the District of Vanderhoof;
- f. **“Eligible Project”** means:
 - i. An existing building, on appropriately zoned land and having a renovation project value of \$100,000.00 or greater as determined by the Chief Financial Officer or his/her designate and for which a valid Building Permit has been issued by the District;

- ii. A new building, constructed on appropriately zoned land and having a construction project value of \$100,000.00 or greater as determined by the Chief Financial Officer or his/her designate and for which a valid Building Permit has been issued by the District.
- g. **“Municipal Portion”** means the portion of property taxes that are eligible for exemption pursuant to the Community Charter.
- h. **“Owner”** means the registered Owner of the Parcel(s) upon which an Eligible Project is constructed.
- i. **“Parcel”** or **“Parcels”** has the same meaning as the Community Charter and, for the purposes of this Bylaw, means a legal property(s) situated within the Revitalization Area upon which an Owner proposes an Eligible Project;
- j. **“Property Class”** means a class of property prescribed under Section 19 (14) of the Assessment Act as amended from time to time;
- k. **“Recapture Amount”** means the amount an Owner is required to pay to the District under Section 4.6 of this Bylaw;
- l. **“Revitalization Area”** means any property within the municipal boundaries of the District of Vanderhoof as identified on Schedule ‘A’;
- m. **“Tax Exemption”** means a revitalization tax exemption pursuant to this Bylaw;
- n. **“Tax Exemption Certificate”** means a revitalization tax exemption certificate issued by the District pursuant to this Bylaw and pursuant to the provisions of Section 226 of the Community Charter;
- o. **“Term”** means the maximum number of years for which a Tax Exemption Certificate is issued under Section 3.5 of this Bylaw.

3.0 REVITALIZATION TAX EXEMPTION PROGRAM

- 3.1 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 Eligible Projects.
- 3.2 Tax Exemptions will only apply to:
 - a. a renovation of an existing Eligible Project, under this Bylaw, that has a renovation project value of \$100,000.00 or greater; or
 - b. construction of a new Eligible Project, under this Bylaw, that has a construction project value of \$100,000.00 or greater.
 - c. construction of a new Eligible Project or a renovation of an existing eligible project that complies with all District of Vanderhoof Bylaws, permits, and regulations.

- 3.3 The amount of the Tax Exemption is the increase in the Municipal Portion of property tax levied on the difference in Assessed Value of improvements attributed to the completion of the Eligible Project.
- 3.4 The percentage of the Tax Exemption amount that will be provided in each Calendar Year of the Term is set out in the following table:

Table 1: Percentage of Tax Exemption on Eligible Projects	
<i>Year of the Term</i>	<i>% of Tax Exemption of Municipal Portion of Property Tax for Eligible Projects</i>
1	100%
2	80%
3	60%
4	40%
5	20%

- 3.5 The maximum Term of an exemption under this Revitalization Tax Exemption Program is 5 years, with no opportunity for extension, commencing on January 1 of the first Calendar Year after the Calendar Year in which the Tax Exemption Certificate is issued as long as it is issued prior to October 31.
- 3.6 In order for a Parcel to be considered for a Tax Exemption, the Owner must first submit to the District of Vanderhoof, no later than August 31 in the Calendar Year of application and in a form acceptable to the Chief Financial Officer, confirmation of project completion.
- 3.7 The Owner must then submit in writing a Revitalization Tax Exemption Application (the Application) to the District of Vanderhoof prior to October 1 in the Calendar Year of application, and must submit the following information with the Application:
- a. a certificate, which confirms that all taxes assessed and 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 application have been paid;
 - b. a description of the Eligible Project;
 - c. the value of the Eligible Project, which must be confirmed by one or more of the following:
 - i. a certificate, in a form satisfactory to the Chief Financial Officer certifying the construction value of the Eligible Project;
 - ii. a Building Permit Application;
 - d. all applicable non-refundable fees as required.

- 3.8 Revitalization Tax Exemption Applications will not be accepted by the District of Vanderhoof after October 1.
- 3.9 Upon receipt of the Application referred to in Section 3.7 of this Bylaw the Chief Financial Officer, in consultation with the Senior Management members, will either approve or deny the Application. If the Chief Financial Officer approves of the Application, they will provide an Agreement to be signed by the Owner and returned to the Chief Financial Officer, establishing the terms and conditions upon which a Tax Exemption will be granted.
- 3.10 The Assessed Value of the improvements resulting from an Eligible Project as determined by the BC Assessment Authority will determine the value of the Revitalization Tax Exemption and may not necessarily reflect the value of construction.
- 3.11 The maximum Tax Exemption under this Bylaw must not exceed the increase in the Assessed Value of improvements on the Parcel in the Calendar Year prior to construction or alteration began and the Calendar Year for which the Tax Exemption Certificate is issued.
- 3.12 An exemption under this Bylaw does not affect the Owner's liability for municipal utility fees or taxation imposed by or on behalf of other government or public bodies.
- 3.13 This Bylaw shall expire and cease to be of any force or effect on October 31, 2029.

4.0 TAX EXEMPTION CERTIFICATE

- 4.1 Once the conditions established under this Bylaw and in the Agreement have been met, a Tax Exemption Certificate must be issued in respect of the Parcel, on the terms and subject to the conditions set forth in the Agreement.
- 4.2 If the Revitalization Tax Exemption Certificate is issued on or before October 31, the Tax Exemption takes effect in the following Calendar Year.
- 4.3 A Tax Exemption Certificate must be issued for the Eligible Project in the form attached as Schedule 'B' and must include the conditions set out in that form.
- 4.4 A Tax Exemption Certificate is subject to the requirement that all conditions set out in the Agreement continue to be met during the Term as set out in the Agreement.
- 4.5 Council may cancel a Tax Exemption Certificate if any one or more of the conditions or requirements set out in the Agreement are breached or upon receipt of a written request from the Owner, and the cancellation will be effective as of the date of the breach.
- 4.6 If the conditions set forth in the Tax Exemption Certificate have not been met and the Tax Exemption Certificate is cancelled during a Calendar Year in which the Owner of Eligible Projects has received a Tax Exemption from the Municipal Portion of property

taxes, a Recapture Amount calculated in accordance with the terms set out in Schedule 'B', as applicable, is payable to the District by the Owner.

READ A FIRST TIME THIS THE 9th DAY OF SEPTEMBER , 2019.

READ A SECOND TIME THIS THE 9th DAY OF SEPTEMBER , 2019.

READ A THIRD TIME THIS THE 15th DAY OF OCTOBER ,2019.

All three readings passed by a **unanimous** decision of members of Council present and eligible to vote.

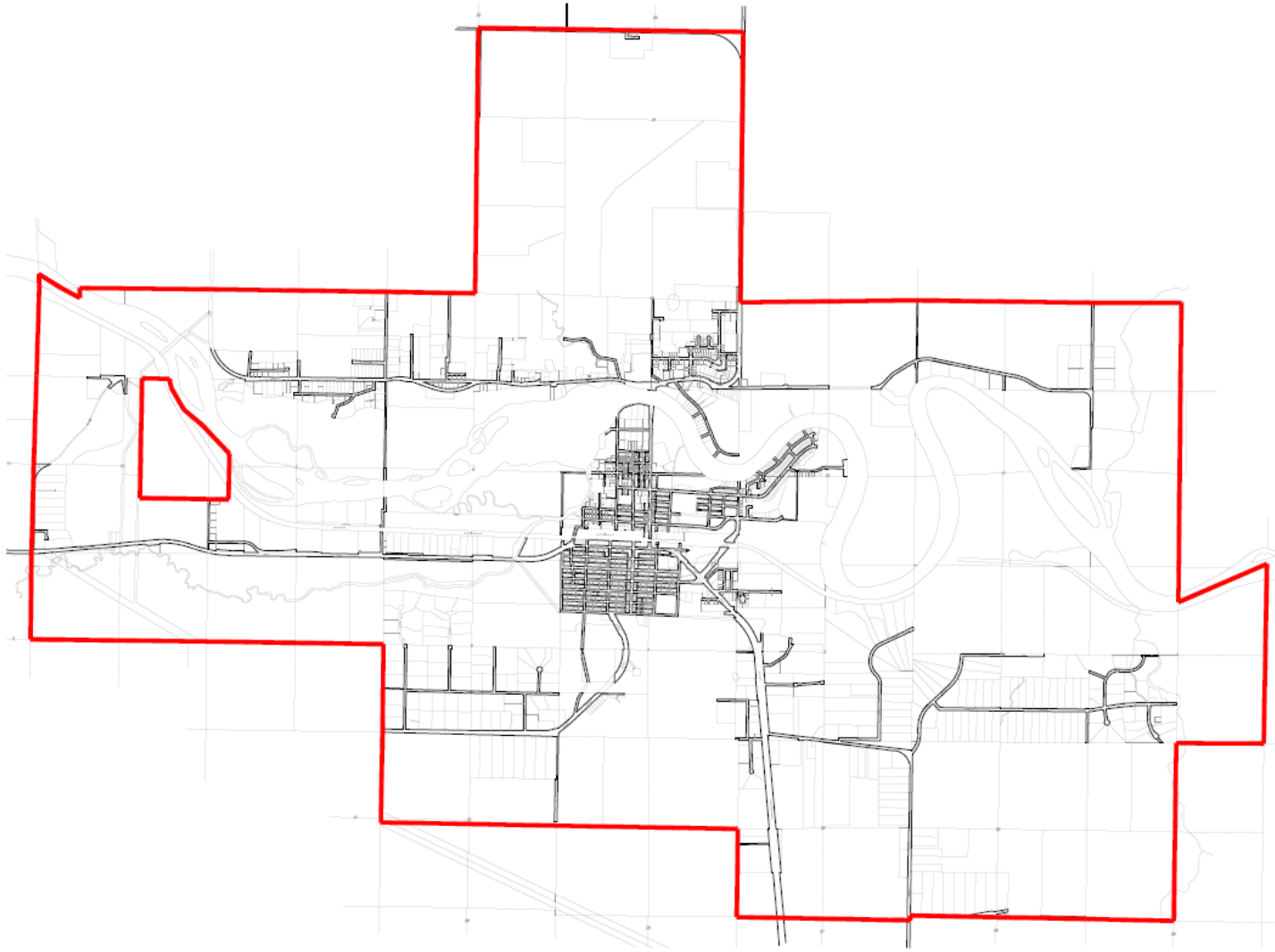
ADOPTED THIS THE 28th DAY OF OCTOBER, **2019**, BY A DECISION OF ALL MEMBERS OF DISTRICT COUNCIL PRESENT AND ELIGIBLE TO VOTE.

MAYOR

CORPORATE OFFICER

SCHEDULE "A" to Revitalization Tax Exemption Bylaw 1208, 2019

REVITALIZATION TAX EXEMPTION AREA



SCHEDULE "B" to Revitalization Tax Exemption Bylaw 1208, 2019

REVITALIZATION TAX EXEMPTION AGREEMENT

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

BETWEEN:

[INSERT name and address of property owner(s)]

(the "Owner")

AND:

THE DISTRICT OF VANDERHOOF

160 Connaught Street

PO Box 900

Vanderhoof BC, V0J 3A0

(the "District")

GIVEN THAT:

- A. The Owner is the registered Owner in fee simple of lands in the District of Vanderhoof at **[insert civic address]** legally described as **[insert legal description]** (the "Parcel");
 - B. Under Bylaw No. 1208 (the "Bylaw"), the Council of the District of Vanderhoof has established a Revitalization Tax Exemption Program (the "Program") for all properties located within the District.
 - C. Council's objectives in establishing the Program under the Bylaw is to incentivize new developments as well as investments into existing buildings within the municipal boundaries of the District.
 - D. The Owner has proposed to construct an Eligible Project (the "Project") on the Parcel and has applied to the District for a Tax Exemption under the Program in respect of the Project and the District has agreed to accept the Project under the Program.
 - E. The District and the Owner have agreed to enter into this Revitalization Tax Exemption Agreement (this "Agreement") to provide for the Owner's obligations regarding the
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Project and the District's grant of Tax Exemption, all in accordance with the terms and conditions set out herein.

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Owner and the District covenant and hereby agree each with the other as follows:

1. Eligibility

A Revitalization Tax Exemption will only be granted for the Parcel if the Project meets the requirements for an Eligible Project as set out in the Bylaw.

2. The Project

The Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a manner that will be consistent with and will foster the purpose of the Program.

3. Obligations of the Owner

Throughout the Term of the Program, the Owner will:

- a. ensure that the Parcel and the Project are used, operated and occupied in compliance with the permitted use and zoning for the Parcel under the "District of Vanderhoof Zoning Bylaw No. 994, 2006", as amended, consolidated or replaced from time to time;
- b. operate, repair and maintain the Parcel and keep the Project in state of good repair as a prudent owner would do;
- c. not allow any non-exempt property taxes due in relation to the Parcel to go into arrears;
- d. ensure that if the Parcel is sold during the Term of the Program, subject to Section 15 of this Agreement, assign this Agreement to any new fee simple owners of the Parcel to ensure that the new fee simple owners will be bound by the terms of this Agreement, failing which the Revitalization Tax Exemption Certificate (the "Certificate") may be cancelled in the District's discretion. Upon completion of the sale of the Parcel, the Owner will provide the Chief Financial Officer with a copy of the assignment agreement evidencing that the new fee simple owner has legally assumed the obligations of the Parcel under this

Agreement; and

- e. construct the Project and, at all times during the Term of the Tax Exemption, use and occupy the Parcel and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules, regulations, policies, guidelines, criteria or the like made under or pursuant to any such laws.

4. Revitalization Tax Exemption

Subject to the fulfillment of the conditions set out in this Agreement and in the Bylaw, the District will issue the Certificate to the Owner and provide the relevant assessor of BC Assessment with a copy of the Certificate entitling the Owner to a municipal property tax exemption in respect of the Parcel (the "Tax Exemption") for the eligible Calendar Years as set out in this Agreement.

5. Conditions

The following conditions must be fulfilled before the District will issue a Certificate to the Owner:

- a. the Owner must submit to the District, no later than August 31 in the Calendar Year of application and in a form acceptable to the Chief Financial Officer, confirmation of Project completion.
- b. the Owner must submit in writing a Revitalization Tax Exemption Application (the Application) to the District prior to October 1st in the Calendar Year of application, and must submit the following information with the Application:
 - i. a certificate, which confirms that all taxes assessed and 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 application have been paid;
 - ii. a description of the Project;
 - iii. the value of the Project, which must be confirmed by either a certificate, in a form satisfactory to the Chief Financial Officer certifying the construction value of the Eligible Project or a Building Permit Application;
- c. all applicable non-refundable fees as required.

6. Term of the Revitalization Tax Exemption

The maximum Term of an exemption under the Program is 5 years, with no opportunity for extension, commencing on January 1 of the first Calendar Year after the Calendar Year in which the Revitalization Tax Exemption Certificate is issued, as long as it is issued prior to October 31 in the previous Calendar Year.

7. Calculation of Revitalization Tax Exemption

The percentage of the annual Tax Exemption shall be calculated in accordance with section 3.4 of the Bylaw, based on the Municipal Portion of property tax levied on the difference in the Assessed Value of improvements on the Parcel, attributable to the construction of the Project, between the Calendar Year before the commencement of the construction of the Project and the Calendar Year immediately after the Calendar Year in which the Tax Exemption Certificate is issued if issued prior to October 31.

8. Effects of Stratification

If the Owner stratifies the Parcel under the *Strata Property Act* the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:

- a. the current and each subsequent tax year during the term of this Agreement if the strata plan is accepted for registration at the Land Title Office before May 1 in the year of stratification; or
- b. for the next Calendar Year and each subsequent tax year during the term of this Agreement if the strata plan is accepted for registration at the Land Title Office after May 1 in the year of stratification.

provided that the Owner has assigned this Agreement to the strata corporation as required under Section 3(e) of this Agreement.

9. Cancellation

The District may, in its discretion, cancel the Tax Exemption Certificate at any time in one or more of the following circumstances:

- a. on the written request of the Owner;
- b. at any time, if the Owner breaches or does not fully satisfy any of the obligations and conditions in the Certificate or this Agreement, as determined by the District

acting reasonably, effective immediately upon delivery of a notice of cancellation to the Owner.

10. Recapture

It is agreed that:

- a. if pursuant to the terms and conditions specified in this Agreement or the Tax Exemption Certificate, the Certificate is cancelled, the Owner will remit to the District, no later than 30 days after receiving notice from the District of the cancellation and the amount owing, all Municipal Portion of property taxes payable for the balance of the year from the date of cancellation of the Certificate, calculated pro rata based on the annual amount of municipal taxes that would have been payable but for the Tax Exemption;
- b. in the event that the Owner does not meet the obligations in Section 3 of this Agreement, the Owner will pay to the District the Municipal Portion of property taxes for any period during which the obligations in Section 3 were not in fact met, calculated pro rata based on the annual amount of the Municipal Portion of property taxes that would have been payable but for the Tax Exemption; and
- c. any amounts owing pursuant to sections 10(a) or 11(b) are the Municipal Portion of property taxes and any such amounts that are not paid by December 31 of the taxation year in which they fall due will become taxes in arrears in the following year and collectable as taxes in arrears.

11. No Refund

For greater certainty, under no circumstance will the Owner be entitled, under this Agreement, the Bylaw, the Certificate or the District's Revitalization Tax Exemption Program, to any cash credit, any carry forward tax exemption credit or any refund for any Municipal Portion of property taxes paid.

12. Enurement

This Agreement shall ensure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.

13. Notices

Any notice, request, demand and other communication to be given or made by any provision of this Agreement shall be in writing and will be sufficiently given if, to the

District, it is delivered by hand, facsimile transmission, e-mail or prepaid registered mail (return receipt requested), or if, to the Owner, is posted visibly on the Parcel or is delivered by hand, facsimile transmission, e-mail or prepaid registered mail (return receipt requested) as follows:

- i. in the case of a notice to the District, at:

THE DISTRICT OF VANDERHOOF

160 Connaught Street
PO Box 900 Vanderhoof BC, V0J 3A0

Attention: Chief Financial Officer
Email: cfo@district.vanderhoof.ca
Facsimile: (250) 567 9169

- ii. in the case of a notice to the Owner, at:

[Address]

Attention:

Email:

Facsimile:

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

14. No Assignment

The Owner may not assign its interest in this Agreement except to a subsequent Owner in fee simple or strata of the Parcel.

15. Severance

If any portion of this Agreement is held to be invalid 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 this Agreement.

16. Interpretation

Wherever the singular or masculine is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or

the parties thereto so required.

17. Further Assurances

The parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carried out the intent of this Agreement.

18. Powers Preserved

This Agreement does not:

- a. affect or limit the discretion, rights, or powers of the District under any enactment or at common law, including in relation to the use or subdivision of the Parcel;
- b. affect or limit any enactment relating to the use or subdivision of the Parcel; or
- c. relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Parcel, and, without limitation, will not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the District.

19. References

A reference in this Agreement to the District or the Owner includes their permitted assigns, heirs, successors, officers, employees and agents.

20. Effective Date

This Agreement shall be effective from and after the reference date in this Agreement, but only if this Agreement has been duly executed and delivered by the Owner to the District and duly executed by the District.

21. Term

The term of this Agreement is 5 years, with no opportunity for extension, commencing _____, and ending _____.

22. No Right of Action

The Owner will have no cause of action for any losses incurred if 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 of the Municipal Portion of property taxes which would otherwise have been payable by the Owner during the Term.

Approval of this Agreement by Resolution No. ____ of the Council of the District of Vanderhoof was given on the ____ day of _____, 20__.

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

Executed by the DISTRICT OF VANDERHOOF by its authorized signatories:

Mayor

Corporate Officer

Executed by:[insert Owner] _____
by its authorized signatories:

Name

Name

REVITALIZATION TAX EXEMPTION CERTIFICATE

Section 226 of the *Community Charter*

In accordance with the District of Vanderhoof Revitalization Tax Exemption Bylaw No. 1208, 2019 (the "Bylaw") and in accordance with the Revitalization Tax Exemption Agreement dated for reference the ____ day of _____, 20____ (the "Agreement") entered into between the District of Vanderhoof (the "District") and _____ (the "Owner"), the registered Owner(s) of the Parcel described below:

The Parcel to which the Tax Exemption applies is located within the District of Vanderhoof and is legally described as follows: Civic Address _____ PID _____, Lot____, Block____, District Lot _____, Plan _____ (the "Property").

This **Certificate** certifies that the Parcel is subject to a Revitalization Tax Exemption within a percentage that shall be calculated in accordance with Section 3.4 of the Bylaw, based on the Municipal Portion of property tax levied on the difference in the Assessed Value of improvements on the Parcel, attributable to the construction of the Project, between the Calendar Year before the commencement of the construction of the Project and the Calendar Year immediately after the Calendar Year in which the Tax Exemption Certificate is issued if issued prior to October 31.

The Tax Exemption is for the Calendar Year commencing with the year _____ and ending with the year _____.

The Tax Exemption is provided on the following conditions:

1. The Owner does not breach any condition in the Agreement and performs all obligations to be performed by the Owner as set out in the Agreement.
2. The Owner has not sold all or any portion of his or her equitable or legal fee simple interest in the Parcel without the transferee taking an assignment of the Agreement, and agreeing to be bound by it.
3. The Owner, or a successor in title to the Owner, has not allowed the property taxes for the Parcel to go into arrears.
4. The Parcel is not put to any use that is not permitted by the zoning for the Parcel.

If any of the above-noted conditions are not met then the District may cancel this Tax Exemption Certificate. In the event of such cancellation, the Owner will remit to the District, no later than 30 days

after receiving notice from the District of the cancellation, an amount, as determined by the District, of the Municipal Portion of property taxes payable for the balance of the year from the date of the cancellation of this Tax Exemption Certificate, calculated pro rata based on the annual amount of the Municipal Portion of property taxes that would have been payable but for the Tax Exemption. The Owner will also pay to the District any amount of the Municipal Portion of the property tax exemption enjoyed by the Owner while the Tax Exemption Certificate was in effect for any period during which the Owner was in breach of one or more of the above-noted conditions.

Chief Financial Officer

Date

Appendix "B" to Schedule "B" to Revitalization Tax Exemption Bylaw 1208, 2019

THE PROJECT – PLANS AND SPECIFICATIONS