

DISTRICT OF COLDSTREAM

BYLAW NO. 1614, 2012

A BYLAW TO ESTABLISH A TAX REVITALIZATION EXEMPTION PROGRAM

WHEREAS Council may, by bylaw, establish a revitalization tax exemption program;

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

AND WHEREAS Council has given notice of the consideration of this bylaw under Section 227 of the *Community Charter*;

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

1. Title

This bylaw may be cited as “District of Coldstream Revitalization Tax Exemption Bylaw No. 1614, 2012”.

2. Definitions

In 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 set out in Schedule “D” applies to a property in the Revitalization Area;

“**Building Permit**” means authorization in writing from the Building Official to perform building work regulated by the District of Coldstream Building and Plumbing Regulation Bylaw, in force from time to time;

“**Building Official**” means the person designated to perform duties under the District of Coldstream Building and Plumbing Regulation Bylaw, in force from time to time;

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

“Financial Officer” means the person designated by Council as the municipal officer authorized to issue a Revitalization Tax Exemption Certificate under this bylaw;

“Full Assessment” means the amount of municipal property value tax that would be payable in respect of a parcel in the Revitalization Area after the calendar year during which an agreement set out in Schedule “D” is made, as if the agreement had never been made;

“Occupancy Permit” means written authorization from the Building Official to occupy a building for its intended use;

“Permit Value” means a calculation of the total value of any form of construction that is to be submitted by the owner to the satisfaction of the Building Official;

“Revitalization Area” means an area of the District of Coldstream designated and shown on Schedule “A”, Schedule “B”, or Schedule “C”.

3. Revitalization Tax Exemption Program

Pursuant to Section 226 of the Community Charter, District of Coldstream Council hereby establishes a Revitalization Tax Exemption as follows:

- a) The objectives of the program are to encourage the construction of new buildings and improvements of existing buildings creating economic activity for the community and its residents.
- b) The Revitalization Tax Exemption is intended to accomplish these objectives by providing tax relief to property owners who undertake eligible projects within the Revitalization Area.
- c) A property owner must enter into a Revitalization Tax Exemption Agreement with the District of Coldstream that will establish the terms and conditions for eligibility for a specific property. The kinds of property that will be eligible for tax exemptions under the Revitalization Tax Exemption Program are as follows:
 - i. Construction of New Buildings
Properties that are the subject of a building permit having a value, as determined by the District of Coldstream Building Official, of \$200,000 or greater. New construction must conform to the land use designations and development permit guidelines of the District of Coldstream.
 - ii. Additions/Renovations to Existing Buildings
Properties that are the subject of a building permit having a value, as determined by the District of Coldstream Building Official, of \$50,000 or greater. New construction must conform to the land use designations and development permit guidelines of the District of Coldstream and add additional commercial or industrial space to an existing building.

- d) The maximum revitalization tax exemption under this bylaw must not exceed the increase in the assessed value of land and improvements on the property between:
- i. The year before the construction or alteration began, and;
 - ii. The year in which the revitalization tax exemption certificate under this bylaw is issued.
- e) The amount of revitalization tax exemptions provided under this bylaw are such that the municipal property tax payable (excluding specified area levies) is as follows:

i)	Years 1-6	Base amount
ii)	Year 7	Base amount plus 20% of difference between base amount and assessed value
iii)	Year 8	Base amount plus 40% of difference between base amount and assessed value
iv)	Year 9	Base amount plus 60% of difference between base amount and assessed value
v)	Year 10	Base amount plus 80% of difference between base amount and full assessed value
vi)	Year 11 and subsequent	Full assessment

- f) The maximum term of a tax exemption that may be provided under the bylaw is 10 years.
- g) The kinds of property revitalization that will be eligible for revitalization tax exemption under this bylaw will be limited to property zoned a Commercial zoning (Division Five of the Zoning Bylaw) and an Industrial zoning (Division Six of the Zoning Bylaw).
- h) This Bylaw does not apply to a property unless:
- a) The parcel is located in the Revitalization Area; and
 - b) The owner of the parcel has entered into an Agreement with the District of Coldstream substantially in the form of and with the content of the Agreement attached as Schedule "D".

4. Application for Revitalization Tax Exemption

An owner of a parcel in the Revitalization Area may apply to the Financial Officer in writing for a revitalization tax exemption under this Bylaw and submit the following with the application:

- a) A certificate that all taxes assessed and rates, charges, and fees imposed on the Lands 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 DCC installments shall be pursuant to Section 933 of the Local Government Act and Regulation 166/84;

- b) A completed written application as per Schedule “E” of this bylaw available in the Office of the Financial Officer;
- c) A description of the new improvements or the alteration of the existing improvement that would be eligible under the bylaw for a revitalization tax exemption;
- d) An examination fee in the amount of \$100.00, and;
- e) A copy of the Agreement duly executed by and on behalf of the Owner.

5. Requirements for an Exemption Certificate

Before an Exemption Certificate will be issued under this bylaw for a particular property, the following requirements must be met:

- a) The property owner must have been issued an Occupancy Permit in respect to the development which is eligible for incentives under this bylaw;
- b) All property taxes, including interest and penalties, due and owing in respect of the property must be fully paid;
- c) The property owner must have entered into a Revitalization Tax Exemption Agreement with the District and have completed any required conditions.

6. Issuance of an Exemption Certificate

Once the conditions established under the bylaw and the Revitalization Tax Exemption Agreement as set out in Schedule “D” have been met, a Revitalization Tax Exemption Certificate must be issued for the property which specifies the following:

- a) The amount of the tax exemption, or formula for determining the exemption;
- b) The term of the exemption;
- c) The conditions on which the tax exemption is provided; and
- d) That a recapture amount is payable if the certificate is cancelled and how that amount is to be determined.

7. Conditions within an Exemption Certificate

A Revitalization Tax Exemption Certificate will be cancelled if:

- a) The Owner breaches any covenant or condition of the bylaw or Agreement set out in Schedule “D”;
- b) The Owner has allowed the property taxes to go into arrears or to become delinquent;
- c) The property is put to a use that is not permitted in the allowable zone.

8. Recapture of Exempted Taxes

In the event that the conditions under which a Revitalization Tax Exemption Certificate was issued are no longer met by the Owner, as set out in Section 7, the Owner must pay to the District a recapture amount of the foregone property taxes of the following applicable percentage of the total revitalization tax exemptions obtained under this Bylaw, plus interest at the Prime Rate from the date of the exemption until the date of payment:

- a) Years 1 to 6 - 100%
- b) Years 7 to 10 – 50%

9. Severability

If any section, subsection, clause or phrase of this bylaw is held to be invalid for any reason by a court or competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of the bylaw

10. Authorization

The Financial Officer is hereby authorized to execute the documentation necessary to give effect to the provisions of this Bylaw, including the Revitalization Tax Exemption Agreement attached as Schedule “D”

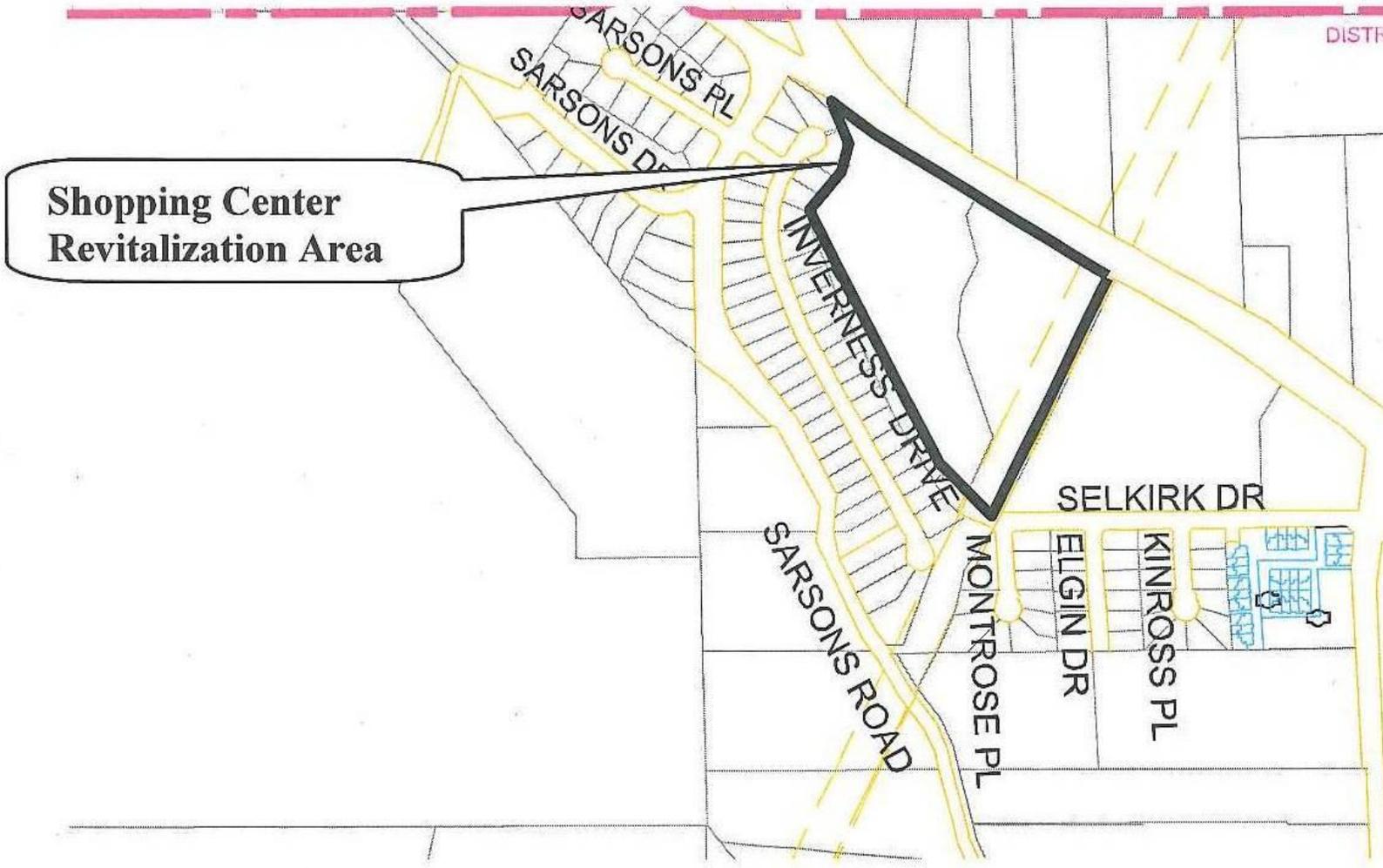
11. Properties currently subject to a revitalization tax exemption under this program are ineligible for an additional revitalization tax exemption.

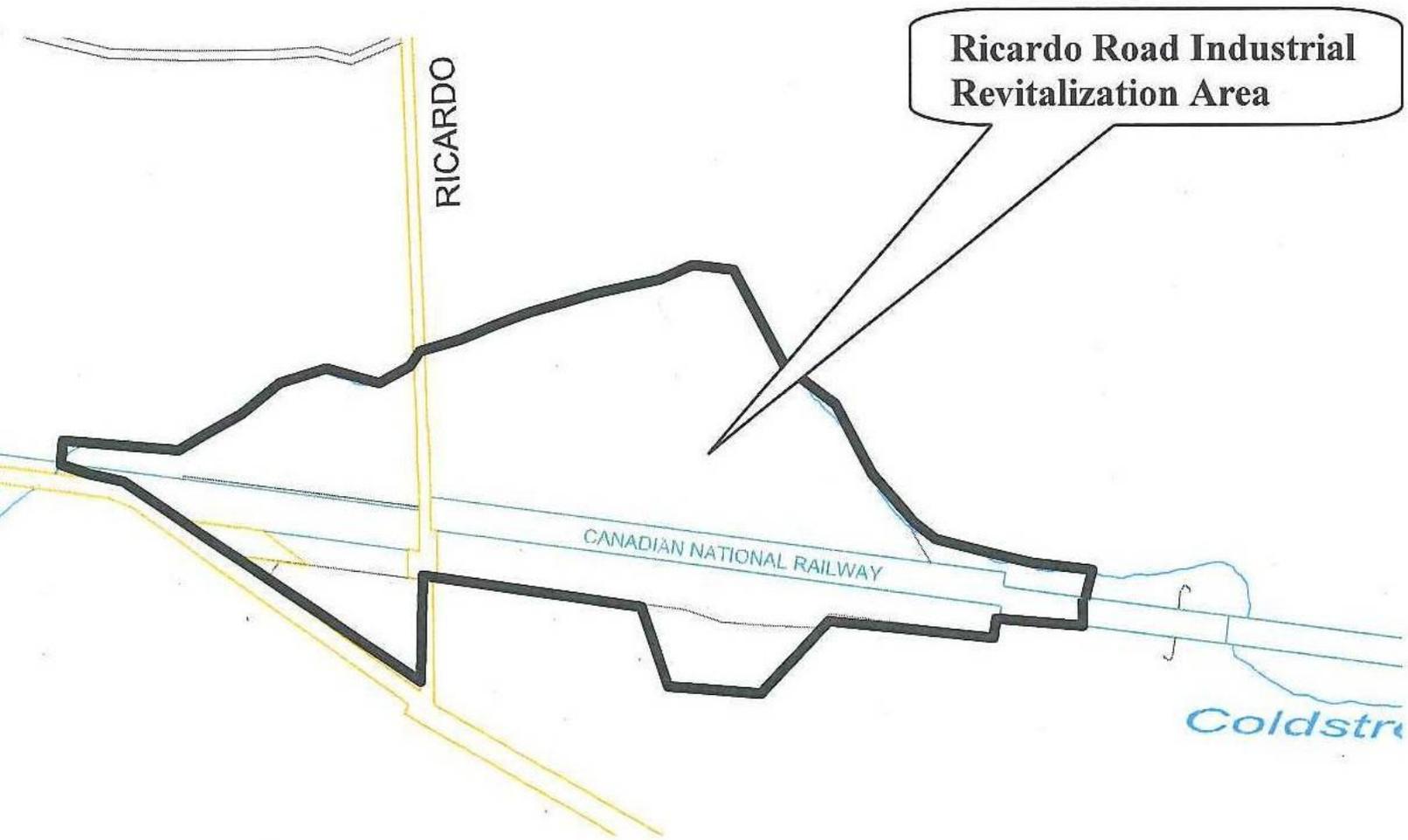
12. This Bylaw shall come into force and take effect upon final reading and adoption thereof.

READ A FIRST TIME this	11 th day of	June	2012
READ A SECOND TIME this	11 th day of	June	2012
READ A THIRD TIME this	11 th day of	June	2012
NOTICE pursuant to s. 227 of the <i>Community Charter</i>	15 th and 22 nd days of	June	2012
FINALLY PASSED AND ADOPTED this	25 th day of	June	2012

Corporate Officer

Mayor







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

BETWEEN

[INSERT name and address of owner of parcel in respect of which the revitalization property value tax exemption will apply]
("Owner")

AND

DISTRICT OF COLDSTREAM, 9901 Kalamalka Road, Coldstream, BC V1B 1L6
("District")

GIVEN THAT

- A. 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,
- B. The Lands that are the subject of this Agreement are located in an area designated by the District's Council as a Revitalization Area,
- C. The Owner is the registered Owner of the Lands defined in this Agreement,
- D. This Agreement contains the terms and conditions respecting the provision of a municipal property tax exemption under the Bylaw defined in this Agreement,
- E. The Owner and the Municipality wish to enter into this Agreement and register it against the title to the Lands as a covenant under Section 219 of the *Land Title Act*,

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 of 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:

1. DEFINITIONS

1.1 In this Agreement:

Agreement means this Agreement, including the standard charge terms contained in this Agreement, together with the General Instrument defined in this Agreement;

Assessed Value means the most recent assessed value of the Lands as determined by the assessment authority in the area in which the Lands are 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, knowledgeably and assuming the price is not affected by undue stimulus as

estimated by a real estate appraiser accredited in the jurisdiction in which the Lands are located;

Bylaw means *District of Coldstream Tax Revitalization Exemption Bylaw, No. 1614, 2012* as amended and in force from time to time;

CPI means the All Items Consumer Price Index for British Columbia, published from time to time by Statistics Canada, or its successor in function, where the base amount year, defined in this Agreement, equals 100;

Dispose means to transfer by any method and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, rent or sublet, divest, release or agree to do any of those things;

General Instrument means the Form C under the Land Title (Transfer Forms) Regulation as amended, and all schedules and addenda to the Form C charging the Lands and citing the terms and conditions of this Agreement as the "standard charge terms" for the purposes of the Form C;

Lands means the lands legally described in Item 2 of the General Instrument and any part into which the Lands are subdivided;

LTO means the Land Title Office or its successor;

Owner means the transferor described in the General Instrument and any subsequent owner of the Lands or any parts into which the Lands are subdivided, and includes any person who is a registered owner in fee simple of the Lands from time to time;

Prime Rate means the annual rate of interest, expressed as a percentage, used as a reference rate by the Bank of Montreal at its main branch in Vernon, British Columbia, for Canadian dollar loans and designated by the Bank of Montreal from time to time as its prime rate;

2. TERM

2.1 The Owner covenants and agrees with the District that the term of this Agreement is ten (10) years commencing on January 1 of the first calendar year after the calendar year referred to in the reference date of this Agreement was made.

3. APPLICABLE IMPROVEMENTS

3.1 The tax exemption provided for under the bylaw applies in respect of:

- a) Construction of new buildings that are the subject of a building permit having a value, as determined by the District of Coldstream Building Official, of \$200,000 or greater. New

construction must conform to the land use designations and development permit guidelines of the District of Coldstream.

- b) Additions or renovations to existing buildings that are the subject of a building permit having a value, as determined by the District of Coldstream Building Official, of \$50,000 or greater. New construction must conform to the land use designations and development permit guidelines of the District of Coldstream and add additional commercial or industrial space and/or an additional dwelling unit to an existing building.

4. REVITALIZATION TAX EXEMPTION CERTIFICATE

- 4.1 (a) Once the Owner has completed the construction of the new improvement or alteration of an existing improvement referred to in Section 3, and the District has issued an occupancy permit under the District's Building and Plumbing Regulation Bylaw, in force from time to time, in respect of the new improvement or alteration of an existing improvement, the District's Council must issue a revitalization tax exemption certificate to the Owner for the Lands if the Owner and the Lands 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 tax exemption or the formula for determining the exemption;
 - (ii) the term of the tax exemption;
 - (iii) the conditions on which the tax exemption is provided;
 - (iv) that a recapture amount is payable if the certificate is cancelled and how that amount is to be determined.

5. TAX EXEMPTION

- 5.1 So long as a revitalization tax exemption certificate in respect of the Lands has not been cancelled, the Lands are exempt, to the extent, for the period and subject to the conditions provided in the certificate, from municipal property taxation (excluding specified area levies).
- 5.2 The revitalization tax exemption certificate may be cancelled by the Council of the District
 - (a) on the request of the Owner,
 - (b) The Owner breaches any covenant or condition of the bylaw or Agreement;
 - (c) The Owner has allowed the property taxes to go into arrears or to become delinquent;
 - (d) The property is put to a use that is not permitted in the allowable zone.
 - (e) if any of the conditions in the certificate are not met.

6. OWNER OBLIGATIONS

- 6.1 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,

and other municipal services prior to the issuance of a Revitalization Tax Exemption Certificate.

- 6.2 The Owner must comply with
- (a) all enactments, laws, statutes, regulations and Orders of any authority having jurisdiction, including bylaws of the District; and
 - (b) all federal, provincial, municipal and environmental licenses, permits and approvals required under applicable enactments.

7. OBLIGATIONS OF DISTRICT

- 7.1 The District must issue a revitalization tax exemption certificate to the Owner in respect of the Lands once the Owner has applied for and obtained an occupancy permit from the District under the District's Building and Plumbing Regulation Bylaw, in force from time to time, in relation to the new improvements or alterations to an existing improvement as described under section 3.1, so long as the Owner and the Lands are otherwise in compliance with the Bylaw and this Agreement.

8. DISTRICT'S RIGHTS AND POWERS

- 8.1 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 Lands, all of which may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner.

9. GENERAL PROVISIONS

- 9.1 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), express or implied, with the Owner other than those expressly contained in this Agreement.
- 9.2 The Owner covenants and agrees to use best efforts to do or cause to be done, at the expense of the Owner, all acts reasonably necessary to grant priority to this Agreement as a covenant over all charges and encumbrances which may have been registered against the title to the Lands in the Land Title Office, save and except those specifically approved in writing by the District or in favour of the District.
- 9.3 The covenants set forth in this Agreement shall charge the Lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the Lands and bind the Lands and every part or parts thereof, and every part to which the Lands may be divided or subdivided, whether by subdivision plan, strata plan, or otherwise.

- 9.4 The covenants set forth in this Agreement shall not terminate if and when a purchaser becomes an owner in fee simple of the Lands or any portion thereof, but shall charge the whole of the interest of such purchaser and shall continue to run with the Lands and bind the Lands and all future owners for the time being of the Lands or any portion thereof, except the Owner will be entitled to a partial discharge of this Agreement with respect to any subdivided parcel of the Lands on acceptance of the works and on compliance by the Owner with all requirements under this Agreement with respect to the subdivided portion of the Lands.
- 9.5 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, or discharged by the District pursuant to the provisions of Section 219 of the *Land Title Act* and this Agreement. All of the costs of the preparation, execution, and registration of any amendments or discharges shall be borne by the Owner.
- 9.6 This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
- 9.7 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.
- 9.8 Time is of the essence of this Agreement.
- 9.9 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.
- 9.10 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:

[?][insert name]
[?][insert address]

Attention: [insert contact][?]

and:

to the District at:

District of Coldstream
Attention: Financial Officer
9901 Kalamalka Road
Coldstream, B.C. V1B 1L6

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

- 9.11 (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.
- (b) Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
- 9.12 This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the District.
- 9.13 This Agreement shall be construed according to the laws of the Province of British Columbia.
- 9.14 A reference in this Agreement to the District or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
- 9.15 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 and executed by the District.
- 9.16 The parties intend, by their execution and delivery of this Agreement, to create a covenant granted to the District under Section 219 of the *Land Title Act*, a contract, and a deed executed and delivered to the District under seal.
- 9.17 Unless otherwise expressly provided in this Agreement, whenever the District is permitted to make or give any decision, direction, determination, or consent, the District may act in its sole discretion, but will act reasonably.

- 9.18 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.
- 9.19 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 Lands; 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.

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

Witness

Mayor

Director of Financial Administration

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

Witness

Owner

APPLICATION FOR REVITALIZATION TAX EXEMPTION

CONTACT INFORMATION

Owner/Applicant: _____
Mailing Address: _____

Telephone: _____
Cell No: _____

SUBJECT PARCEL

Civic Address: _____
Legal Description: _____
Zoning Designation: _____
Business License No.: _____
Building Permit No.: _____
Current Assessed Value: _____
Value of Construction: _____

Description of Proposed Revitalization:

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

OFFICE USE:

Property Tax Account: _____	Utility Account: _____
Other Fees Outstanding: _____	Fee Enclosed: _____
Notes to File: _____	