

CITY OF PRINCE RUPERT

**DOWNTOWN CORE REVITALIZATION TAX EXEMPTION PROGRAM
BYLAW NO. 3466, 2020**

BEING A BYLAW TO ESTABLISH A DOWNTOWN CORE AREAS
REVITALIZATION MUNICIPAL TAX EXEMPTION PROGRAM

WHEREAS Section 226 of the *Community Charter*, SBC 2003, Chapter 26, provides that a council may create a bylaw that will establish a revitalization tax exemption program;

AND WHEREAS Council wishes to encourage revitalization in the Downtown Core of Prince Rupert, as depicted in Schedule A;

AND WHEREAS Council wishes to encourage the development of multi-family residences in the Midtown District;

AND WHEREAS Council wishes to encourage the clustering of commercial development in the Downtown and Cow Bay Districts;

AND WHEREAS Council wishes to encourage the redevelopment of existing commercial properties in the Midtown, Downtown, and Cow Bay Districts.

NOW THEREFORE the Council of City of Prince Rupert in open meeting assembled, enacts as follows:

1. This Bylaw may be cited for all purposes as **“DOWNTOWN CORE REVITALIZATION TAX EXEMPTION PROGRAM BYLAW NO. 3466, 2020”**
2. In this bylaw, the following terms are defined as:

BUILDING means a building that is used for an *Eligible Use*.

COMPLETE means:

- a) That the work carried out by the **Owner** is completed within the conditions set out by the *“Builders Lien Act”*; and
- b) That an occupancy permit has been issued by the City’s building inspector for an *Eligible Improvement*.

DOWNTOWN CORE AREA mean that area of land in the City of Prince Rupert shown outlined on the Map attached as **Schedule A**.

DOWNTOWN CORE REVITALIZATION TAX EXEMPTION PROGRAM means the revitalization tax exemption program established under this Bylaw for *Eligible Improvements*.

ELIGIBLE IMPROVEMENT means:

- a) A new **Building** that is constructed on **Eligible Land**; or
- b) An existing **Building** on **Eligible Land** that is being redeveloped and has exterior building improvements valued at \$50,000 or more.

ELIGIBLE LAND means a **Parcel** within the **Downtown Core Area**.

ELIGIBLE USE means a commercial use, a light industrial use, or a residential use comprising a multiple family dwelling, as those terms are used in the City's Zoning Bylaw.

MUNICIPAL PROPERTY TAXES mean such portion of property value taxes that are imposed or levied pursuant to Section 197(1)(a) of the *Community Charter*, on all taxable land and improvements, which for clarity, as of the date of this Bylaw, includes without limitation, general municipal, debt and transit purposes of the City, and do not include taxes pursuant to Section 197(1)(b) of the *Community Charter* or taxes collected for other authorities including, but not limited to hospital, school, Municipal Finance Authority, North Coast Regional District, and BC Assessment Authority taxes;

NON-MARKET INCREASE means an increase in the assessed value of a **Building** that is greater than the average increase in the assessment of that class of improvements in the **Downtown Core Area** resulting from new construction or redevelopment as determined by the *British Columbia Assessment Authority*.

OWNER means the registered owner of **Eligible Land**.

PARCEL(S) means any lot, block or other area in which land is held or into which it is subdivided;

REDEVELOPMENT means the alteration or addition to an existing **Building** that results in the **Non-Market Increase** in value.

REVITALIZATION TAX EXEMPTION AGREEMENT means the agreement between the City of Prince Rupert and the **Owner** of **Eligible Land** that is substantially in the form attached to this Bylaw as **Schedule B**.

TAX EXEMPTION means the amount of the downtown revitalization tax exemption for an **Eligible Improvement** authorized under this Bylaw.

TAX YEAR means the calendar year from January 01 to December 31.

3. DOWNTOWN REVITALIZATION TAX EXEMPTION PROGRAM

- a) 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 **Revitalization Tax Exemption Certificates** for **Eligible Lands** in accordance with terms and conditions prescribed in this Bylaw.

- b) The revitalization tax exemption program is established under this Bylaw to promote the revitalization of the **Downtown Core Area**, through the construction or redevelopment of buildings used for commercial, light industrial or multiple family residential purposes.
- c) The revitalization tax exemption program is intended to accomplish the revitalization of the **Downtown Core Area** through economic incentives in the form of municipal property tax exemption for construction of new **Buildings** or redevelopment of existing **Buildings** that are on **Eligible Lands**.

4. ELIGIBLE LANDS

For a **Parcel** to be eligible for a **Tax Exemption** in the relevant **Tax Year**:

- (a) the Parcel must be located within the Downtown Core Area; and
- (b) the Parcel must be used for an Eligible Use.

5. DOWNTOWN (CITY) CORE AREAS TAX EXEMPTION APPLICATION PROCESS

Council may pass a resolution to authorize a municipal property tax exemption in accordance with this Bylaw, under the conditions described in this section:

- a) The **Owner** has applied to Council for a municipal property tax exemption in the form attached to this Bylaw as **Schedule C**. The application must include all supporting documentation, a building permit application, and the application fee of \$150;
- b) In the case where a building permit application is not required, the **Owner** must submit a completed application in the form attached to this Bylaw as **Schedule C** prior to undertaking construction of any **Eligible Improvement**. The application must include all supporting documentation, a complete set of architectural drawings, and the application fee of \$150;
- c) Council shall determine if the **Owner's** application meets the requirements set out in this Bylaw;
- d) If the application has been approved by Council, the **Owner** may proceed with entering into a revitalization tax agreement with the City of Prince Rupert in a form substantially in the form attached to this Bylaw as **Schedule B**;
- e) Upon execution of a revitalization tax agreement between the **Owner** and the City, a tax exemption certificate shall be issued and applied to the subject property.

6. DOWNTOWN CORE AREAS REVITALIZATION TAX EXEMPTION'S

- a) The **Tax Exemption** for construction of a new **Building** is as follows:
 - i. New Commercial Buildings: 10 years of non-market tax increase as a result of new developments.

- ii. New Multi-family Residential Buildings: 10 years of non-market tax increase as a result of new developments.
 - iii. New Light Industrial Buildings (Excluding Port Authority): five years of non-market tax increase as a result of new developments.
 - iv. In the final five years of a ten year tax exemption, taxes shall begin to increase proportionally each year until on the 11th year taxes are fully payable on the non-market increase.
- b) The amount of **Tax Exemption** for redevelopment of existing **Buildings** are as follows:
- i. Redeveloped Commercial Buildings: five years of non-market tax increase as a result of new developments.
 - ii. Redeveloped Multi-family Residential Buildings: five years of non-market tax increase as a result of new developments.
 - iii. Redevelopments must include \$50,000 or more of improvements to the building exterior to qualify for the exemption.

READ A FIRST TIME this 23rd day of November, 2020.

READ A SECOND TIME this 23rd day of November, 2020.

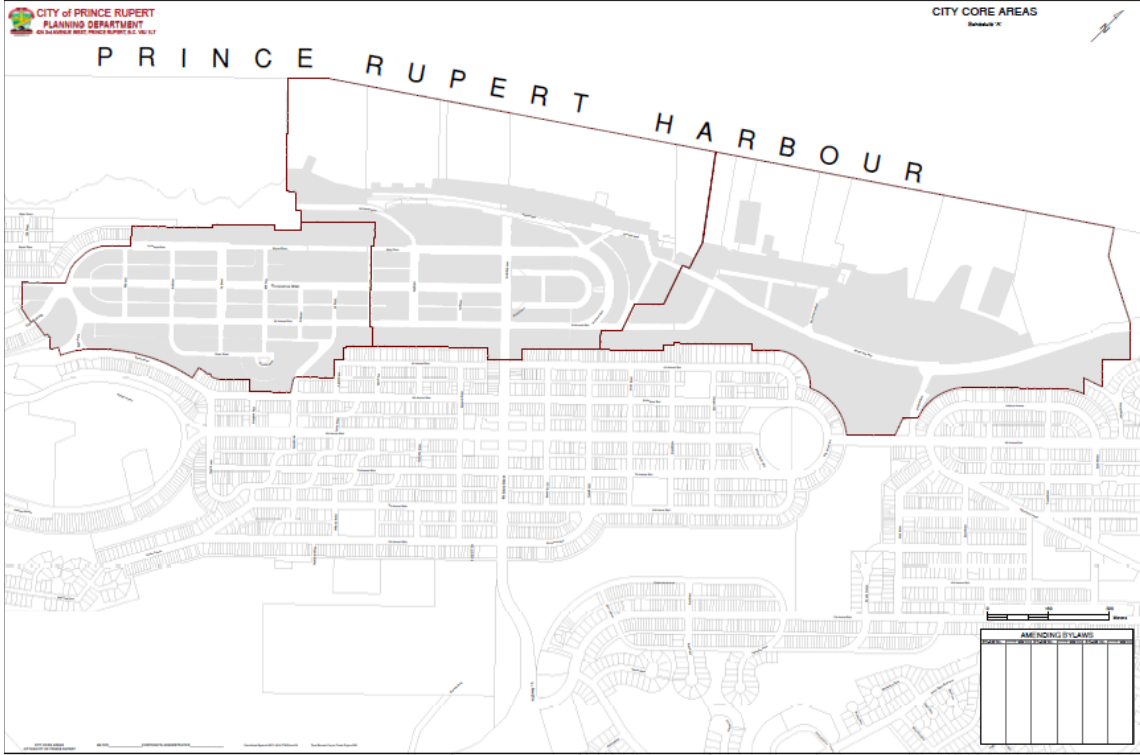
READ A THIRD TIME this 11th day of January, 2021.

FINALLY CONSIDERED AND ADOPTED this 25th day of January, 2021.

Mayor

Corporate Administrator

SCHEDULE "A"
Description of *Eligible Lands*



Note: Eligible exemptions in the Midtown District are limited to multi-family residential and existing commercial redevelopments.

SCHEDULE "B"
Downtown Core Area Revitalization Tax Exemption Agreement

THIS AGREEMENT dated for reference the ____ day of _____, _____.

BETWEEN:

THE CITY OF PRINCE RUPERT (the "City")

AND:

*Name of the owner of **Eligible Land***

*Address of the owner of **Eligible Land***

(the "**Owner**")

WHEREAS

- A.** The City has established the Revitalization Tax Exemption Program (through Bylaw 3466) for the purpose of encouraging the construction and redevelopment of buildings for multi-family, commercial, and light industrial purposes within the Downtown Core Areas depicted in Schedule A;
- B.** The Owner is the registered owner in fee simple of those lands situate in the City of Prince Rupert and legally described as:
PID: _____
Legal Description: _____
(the "**Property**");
- C.** The Owner has applied for a municipal property tax exemption in respect of the Property under the provisions of Bylaw 3466; and
- D.** As part of the Revitalization Tax Exemption Program, the parties have agreed to enter in this Agreement to formalize the terms and conditions of a revitalization tax exemption applicable to the Property.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and the payment provided by the Owner to the City in the amount of Ten Dollars (\$10) the receipt and sufficiency of which is hereby acknowledged by the City, the Owner and the City covenant and agree with each other as follows:

1. **DEFINITIONS** (this whole section was done differently

In this Agreement, the following terms are defined as:

“Agreement” means this agreement including all recitals and schedules;

“Building” means a building that is used for either commercial, light industrial, or multi-family residential purposes;

“Bylaw 3466” means the Downtown Core Revitalization Tax Exemption Program Bylaw No. 3466, 2020;

“City” means the City of Prince Rupert;

“Complete” means:

- a) that the work carried out by the Owner is completed within the conditions set out by the “Builders Lien Act”; and
- b) that an occupancy permit has been issued by the City’s building inspector for an Eligible Improvement;

“Downtown Core Area” means that area of land in the City of Prince Rupert shown outlined on the Map attached as Schedule A;

“Eligible Land” means a parcel of land that meets the eligibility requirements in Section 4 of the Bylaw;

“Eligible Improvement” means:

- a) a new Building that is constructed on Eligible Land; or
- b) an existing Building on Eligible Land that is being redeveloped and has exterior building improvements valued at \$50,000 or more;

“Municipal Property Taxes” mean such portion of property value taxes that are imposed or levied pursuant to Section 197(1)(a) of the *Community Charter*, on all taxable land and improvements, which for clarity, as of the date of Bylaw 3466, includes without limitation, general municipal, debt and transit purposes of the City, and do not include taxes pursuant to Section 197(1)(b) of the *Community Charter* or taxes collected for other authorities including, but not limited to hospital, school, Municipal Finance Authority, North Coast Regional District, and BC Assessment Authority taxes;

“Non-Market Increase” means an increase in the assessed value of a Building that is greater than the average increase in the assessment of that class of improvements in the relevant Downtown Core Area resulting from new construction or redevelopment as determined by the *British Columbia Assessment Authority*;

“**Owner**” means the registered owner of Eligible Land;

“**Redevelopment**” means the alteration or addition to an existing Building that results in the Non-Market Increase in value;

“**Revitalization Tax Exemption Certificate**” means the revitalization tax exemption certificate that is issued in accordance with section 8 of this Agreements, and in accordance with Bylaw 3466;

“**Revitalization Tax Exemption Program**” means the downtown revitalization tax exemption for Eligible Improvements authorized under Bylaw 3466;

“**Tax Exemption**” means the amount of the downtown revitalization tax exemption for Eligible Improvement authorized under Bylaw 3466 but in no event to exceed assessed Municipal Taxes;

“**Tax Exemption Certificate**” has the meaning given in Section 6; and

“**Tax Year**” means the calendar year from January 01 to December 31;

2. **TERM**

The Agreement shall commence on the day of its execution and will continue in effect until the earlier of:

- (a) the cancellation or expiry of the Tax Exemption Certificate; and
- (b) termination of this Agreement in accordance with section 9.

3. **APPLICABLE IMPROVEMENTS**

This Agreement and the Tax Exemption shall only apply to the Eligible Improvements on Eligible Land.

4. **REPRESENTATIONS AND WARRANTIES**

The Owner represents and warrants to the City that:

- (a) _____ [insert where the owner is a corporation] is a corporation that is duly incorporated under the laws of _____ [place of jurisdiction], and has the power and authority to enter into this *Agreement* and perform the actions required of the *Owner* under this agreement and has been properly authorized by all requisite proceedings;
- (b) The *Owner* is the sole owner of the *Eligible Land* and the *Eligible Improvements* for the purpose of property assessment and taxation.

5. **REQUIREMENTS FOR TAX EXEMPTION CERTIFICATE**

Subject to the fulfillment of the conditions set out in this Agreement and Bylaw 3466, the City will issue a Revitalization Tax Exemption Certificate to the British Columbia Assessment Authority entitling the Owner to a Tax Exemption for the Tax Years during the Term (the “**Tax Exemption Certificate**”).

6. **CONDITIONS**

The issuance of a Tax Exemption Certificate by the City to the Owner in respect of a Parcel is subject to the following conditions:

- (a) The Owner must submit the following to the City for pending approval:
 - i. Confirmation in a form that is satisfactory to the City, the Owner shall have completed the Eligible Improvements in complete conformity with the plans attached in Schedule "A" to this Agreement; and
 - ii. A copy of the occupancy permit that is issued by the City's building inspector for the Eligible Improvements.
- (b) The City must be in receipt of the following from the British Columbia Assessment Authority:
 - i. In the case of an Eligible Improvement for a new Building, the confirmation of the assessed non-market value of the Eligible Improvement; and
 - ii. In the case of an Eligible Improvement for a Building being redeveloped, the confirmation of the Non-Market Increase of the Eligible Improvement from redevelopment.

For an Owner to qualify for a Tax Exemption for each Tax Year of the Term, the Owner must continuously use the Eligible Improvements for the use that is stated in the Owner's Revitalization Tax Exemption Application, as submitted to the City.

7. OWNER'S COVENANTS

The Owner covenants and agrees that:

- a) The Owner is solely responsible for all of the costs that are associated with the construction of the eligible improvements, this includes but is not limited to the costs of connecting to any City infrastructure or services that are required for the operation or construction of the eligible improvements;
- b) The Owner shall follow all of the applicable statutes and regulations and be in accordance with all permits and approvals that are issued for the eligible improvements; and
- c) The Owner shall, at their own expense, comply with all of the legal requirements set out by all authorities in respect to the construction of the eligible improvements.

8. CANCELLATION OF REVITALIZATION TAX CERTIFICATE

The Revitalization Tax Exemption Certificate may be cancelled by the City:

- a) if requested by the Owner;
- b) if at any time any of the conditions in the Tax Exemption Certificate or in this Agreement are not satisfied; or
- c) If this Agreement is terminated in accordance with Section 12.

9. TERM OF TAX EXEMPTION

Provided that the requirements of this Agreement and Bylaw 3466 are satisfied, and subject to the Term of the Tax Exemption will be for a maximum period of ten (10) years. As long as the Revitalization Tax Exemption Certificate has not been cancelled, the eligible improvements shall be exempt from municipal property taxes subject to the conditions this Certificate provides.

10. SCOPE OF TAX EXEMPTION

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

11. CITY'S RIGHTS

This Agreement shall, in no way, affect the City's rights and powers in the exercise of its functions or its rights and powers under any public or private statutes, bylaws, orders, or regulations to the extent the same are applicable to the Eligible Lands depicted in Schedule A of Bylaw 3466, all of which may be fully exercised in relation to such Eligible Lands as if this Agreement had not been executed and delivered by the Owner.

12. TERMINATION OF AGREEMENT

The City may, at any time, terminate this Agreement if the following events occur:

- a) the construction of the Eligible Improvements have not commenced within six (6) months of the date of this Agreement; or
- b) the Owner fails to comply with Section 6.

13. TAX RECAPTURE

- (a) In the event the Revitalization Tax Exemption Certificate is cancelled during a year where the Owner of the Eligible Improvements has already received the Tax Exemption, the Owner will remit to the City, no later than 30 days after receiving notice from the City of the cancellation, a recapture amount equal to the amount of the Tax Exemption prorated for the balance of the Tax Year remaining from the cancellation date.
- (b) The parties agree that any amount owing under section 13(a) are Municipal Taxes and any such amounts that are not paid by December 31 of the Tax Year will become taxes in arrears in the following year and collectable as taxes in arrears.

14. NO REPRESENTATIONS

The City has made no representations, covenants, agreements, warranties, or promises (oral or otherwise) that are expressed or implied with the Owner of the eligible improvements except for the ones that are expressed within this Agreement.

15. GENERAL PROVISIONS

Both the City and the Owner agree that:

16. TIME

Time is of the essence of this Agreement.

17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Owner in regards to all the subject matter in this Agreement, and it replaces any previous agreements, understandings, and negotiations (oral or otherwise) between the City and the Owner.

18. 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 an authority of competent jurisdiction and in the event of the finding of such illegality, invalidity or unenforceability, the Agreement shall terminate with no liability to any of the parties.

19. ASSIGNMENT

This Agreement and the associated tax exemption benefit may be assigned, by the Owner, to a subsequent owner in fee simple of the Parcel, and then only with the prior written consent of the City, not to be unreasonably withheld, and subject to the satisfactory execution of an agreement between the City and the third party purchaser regarding the terms and conditions of the Tax Exemption.

20. NOTICES

Any notices that are required to be provided under this Agreement will be in writing and will be delivered either by personal delivery by hand, pre-paid registered mail, by fax transmission or by email:

To the City at:

Chief Financial Officer
424 3rd Ave West
Prince Rupert, BC
V8J 1L7
Fax: 250-627-0999
Email: _____

To the Owner at: [insert address and fax number]

Any notice given in accordance with this section 150 will be deemed to be received immediately upon delivery if properly delivered by hand, seventy-two (72) hours after the time and date of mailing, if sent by pre-paid registered mail, or at the time of sending, provided that reasonable confirmation of delivery is provided by the sender, if sent before 5:00 pm on a Business Day and otherwise on the next Business Day, if sent by fax transmission or by email. If a disruption of the mail delivery in the Province British Columbia occurs, by reason of strike, slow down, lock out, or other labour dispute, then notice may only be given by fax transmission or in person delivery by the Owner or a party delegated by the Owner.

21. BINDING EFFECT

This Agreement shall take effect to the benefit of and be bound to the parties involved in this Agreement and their respective heirs, executors, successors, and permitted assignees.

22. AMENDMENT

The parties involved in this Agreement may amend such Agreements terms if both parties are under agreement, and such amendment shall be provided in writing and executed by both parties.

23. LAW APPLICABLE

This Agreement shall be interpreted in accordance with and governed by the laws applicable in the Province of British Columbia.

24. INTERPRETATION

- a) When the singular or neuter are used in this Agreement, they shall include the plural or the feminine or masculine, body politic or corporate where the context or parties require;
- b) All of the provisions within this Agreement are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph; and
- c) The headings to the clauses in this Agreement have been inserted only as a matter of convenience and in no way do they define, limit or enlarge the scope or meaning of this Agreement or provision of it.

25. EXECUTION BY COUNTERPART

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

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

The City of Prince Rupert by its authorized signatories:	[OWNER] by its authorized signatories:
_____ Mayor	_____ Print Name:
_____ Corporate Administrator	_____ Print Name:

SCHEDULE "C"
Application for Downtown Core Area Tax Exemption

Date: _____

Name:

Address:

Legal Description:

Roll Number: _____

I hereby certify that:

- a) I am the registered owner of the property identified within the boundaries set out in **Schedule A** of Bylaw 3466;
- b) I intend to:
 - a. construct a new multi-family, commercial, or light industrial building in the revitalization tax exemption area within the boundaries set out in **Schedule A** of Bylaw 3466; or
 - b. redevelop an existing multi-family, commercial, or light industrial building in the Revitalization tax exemption area within the boundaries set out in **Schedule A** of Bylaw 3466, and have received all of the necessary authorizations, including a building permit, for that redevelopment work;
- c) I fully acknowledge that the grant of the revitalization tax exemption is subject to all of the conditions and requirement of Bylaw 3466, including but not limited to the terms and conditions of the **Revitalization Tax Exemption Agreement** and **Revitalization Tax Exemption Certificate**;
- d) I have attached to this application:
 - i. True copies of the architectural plans created by a registered professional for the proposed building/development work;

- ii. A true copy of the building permit for the proposed building/redevelopment work.

Signature of Applicant or authorized signatory

SCHEDULE "D"
Revitalization Tax Exemption Certificate

Date of Issuance: _____ Certificate Number: _____

Term [xx Years]: _____ Date of Expiry: _____

Legal Description of the Property: PID: _____

Property Address: _____, Prince Rupert, B.C. V_____

Property Roll Number: _____

Exemption Amount: The amount of the tax exemption is as follows: _____

1. This Certificate is subject to the condition that:
 - a) The Owner continuously meets all of the covenants and obligations under the **Revitalization Tax Exemption Agreement** between the Owner and the City dated _____ (Agreement Date);
 - b) The conditions needed to receive the annual tax exemption are continuously met throughout the entire term of the Agreements; and
 - c) The Agreement not be subject to early termination.

2. In the event the **Revitalization Tax Exemption Certificate** is cancelled during a year where the Owner of the eligible improvements has already received the revitalization tax exemption, a recapture amount is payable and shall be calculated as equal to the percentage of the amount of the exemption with the percentage being equal to the percentage of the remaining taxation year from the date of cancellation.

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

Issued by: _____
[Chief Financial Officer]