



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 0250-20/3900-2937

From: Director of Development Services

Date: April 2, 2025

Subject: First Reading of Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025

PURPOSE:

For Council to consider first reading of “Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025” to amend *Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018* to allow for projects currently under construction to be eligible for Revitalization Tax Exemption and to direct staff to provide public notice of “Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025” as per Section 227 of the *Community Charter*.

BACKGROUND:

At the September 11, 2024 regular Council meeting, Council adopted the following resolution:

THAT Council provide interpretation clarity within Bylaw No. 2937 of the definition ‘project’ and of eligibility clause 4.1 (g) in order to allow for projects currently under construction to be eligible for Revitalization Tax Exemption, and direct staff to make amendments to Bylaw No. 2937 to reflect thereto;

*Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018, Section 2 Definitions “project” as “a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw, **and the construction of which is begun after** an application for a Tax Exemption has been submitted to, and approved by Council”. Additionally, as per Section 4.1 (g) “any construction undertaken prior to application shall not be considered by Council for Tax Exemption”.*

DISCUSSION:

At the September 11, 2024, regular Council meeting, Council entered into a Revitalization Tax Exemption Agreement with a development project that was under construction and provided direction to Staff to amend the Revitalization Tax Exemption Bylaw No. 2937 in order to allow for works under construction to be eligible for Revitalization Tax Exemption (RTE).

Staff have reviewed and discussed Revitalization Tax Exemption (RTE) programs of other communities (Campbell River, Kelowna, Kamloops) and propose targeted amendments that support Council’s resolution. A more comprehensive review of Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018 will occur following the Downtown Vitalization Local Area Plan process and in accordance with the policies contained within that Plan.

The proposed bylaw amendments are summarized below and the track-changed bylaw amendments are in Attachment No. 1:

1. Amending Section 2 definitions

- To add the definition “Improvement” for interpretation clarity, as the term is used throughout the Bylaw, to mean:
 - i. “Improvement” will have the same meaning as set out in the Assessment Act.
- Amending the definition of “Project” to remove the defining requirement that construction has begun after application for Tax Exemption, and making clear that Council or a delegate is to approve the Tax Exemption, to read as follows:
 - i. “Project” means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw and is approved by Council or its delegate.”

2. Amending Section 4 Eligibility Criteria

- Add a sub-section with a notwithstanding clause to allow for application for RTE to be submitted and approved after building permit issuance in the event of extenuating circumstances. Currently sub-section 4.1. (g) requires that any construction of a project undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration. Staff are proposing to add sub-section 4.1. (h) to apply for consideration by Council after a building permit is issued. The new proposed section reads:
 - i. “4.1. (h) Notwithstanding sub-section (g), an application for a Tax Exemption may be submitted after building permit issuance in the event that extenuating circumstances exist. All other provisions of this bylaw still apply. Such applications must be accompanied by a letter to the Director of Development Services detailing and substantiating the extenuating circumstances that prevented application submission prior to a building permit issuance and a quantity surveyor report by a Professional Quantity Surveyor or equivalent to the satisfaction of the Director of Development Services or delegate estimating the total construction value at the time of a complete application being accepted by the City for the remaining improvements.”
- Add a sub-section 4.1. (i) to clarify that an RTE application is not eligible after Occupancy Permit (Final Building Inspection).
- Add an application requirement to include a quantity surveyor report by a Professional Quantity Surveyor (construction cost consultant/cost estimator) assessing the value of construction at the time of application being submitted and assessing the total remaining improvements.

3. Amending Section 7 Application Process

- Amending sub-section 7. (a) by making clear that an RTE application is to be applied for prior to a building permit, and that the proposed notwithstanding clause within Section 4.1. (h) allows for consideration of an exemption to this application requirement:
 - i. “An Owner shall submit a completed application form provided by the City as amended from time to time (with all supporting documentation and the \$200 application fee) to the City prior to a building permit issuance.”
- Adding sub-section 7. (b) stipulating with more clarity the following application submissions shall be included:
 - i. “Covering letter with a brief description of the Project, including an estimate of the construction value of the project, details of the floor area of the project by land use

type(s), the number of residential units (if applicable), and an estimated date of obtaining an occupancy permit;”

- Adding sub-section 7. (c) to permit more flexibility of allowing an RTE application to be applied for prior to even the issuance of a Development Permit by submitting the following information:
 - i. “An application for a Parcel that does not have an approved Development Permit must include a concept plan with information on the proposed use of the Parcel, details on the floor area, the number of residential units (if applicable), and conceptual renders of the form and character;”

4. Amending Schedule B Revitalization Tax Agreement template

- By removing in the agreement, the clause that renders ineligible any construction of a new improvement or alteration of an existing improvement undertaken prior to the application for a Revitalization Tax Exemption.

POLICY ANALYSIS:

Community Charter Section 226 provides authority for local governments through their Councils to authorize municipal tax exemption to land or improvements in accordance with an adopted revitalization program bylaw. The legislation stipulates that the bylaw governing the revitalization program must among other things include a description of the reasons for and the objectives of the program and a description of how the program is intended to accomplish the objectives.

Council adopted *Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018* on September 4, 2018. Bylaw No. 2937 cites the objectives of the program and how the program is intended to achieve said objectives with the following clauses:

3.3 The downtown revitalization tax exemption program is established under this Bylaw in order to promote the revitalization of Downtown Courtenay through:

- a) The development and redevelopment of buildings used for residential purposes to increase the population density in downtown Courtenay to support commercial success;
- b) The development and redevelopment of commercial buildings to create a vibrant downtown that attracts new investment opportunities and supports increased residential viability;
- c) To reinforce and strengthen downtown Courtenay as the commercial heart of the Comox Valley.

3.4 The revitalization tax exemption program is intended to accomplish the objectives referred to in Section 3.3 by providing Owners with an economic incentive in the form of a tax exemption to undertake the development of new improvements.

FINANCIAL IMPLICATIONS:

Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2973, 2018 and the proposed amendments thereto delay new tax revenue from the increased assessed value resulting from new development. Two distinct areas of tax exemption are included in Bylaw No. 2973, with specific tax exemption criteria included for each area and different uses within each area. These tax exemption criteria that determine the amount of exemption will remain the same with the proposed amendments. Attachment No. 2 includes the original *Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2973, 2018*.

First Reading of Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025

Section 226 of the Community Charter requires that a revitalization program bylaw may be adopted only after the council has considered the bylaw in conjunction with the objectives and policies set out under section 165 (3.1) (c) *[use of permissive tax exemptions]* in its financial plan.

STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Support investment and redevelopment in downtown core: Review and evaluate Downtown development incentives e.g. fast tracking/density bonuses/DCC

PUBLIC ENGAGEMENT:

Public consultation took place during the development of the Downtown Courtenay Revitalization Tax Exemption Bylaw and public notice was provided in accordance with Section 227 of the *Community Charter*.

Public notice must be given on the proposed amendments in accordance with Section 227 of the *Community Charter* which will take the form of published notices in two consecutive issues of the local newspaper and posting to the City's website and social media sites.

A more fulsome review of the Downtown Courtenay Revitalization Tax Exemption Bylaw and development incentives in support of Council's strategic priority will occur as part of the concurrent Downtown Vitalization Local Area Plan process which includes an approved communication and engagement plan.

OPTIONS:

1. THAT Council give first reading to "Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025"; and
THAT Council direct staff to provide notice of "Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025" in accordance with Section 227 of the *Community Charter*.
2. THAT Council provide alternate direction to staff.

ATTACHMENTS:

1. Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025
2. Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018

Prepared by: Nancy Gothard, RPP MCIP, Manager of Community and Sustainability Planning

Reviewed by: Marianne Wade, RPP MCIP, Director of Development Services

Adam Langenmaier, BBA, CPA, CA, Director of Finance

Concurrence: Kyle Shaw, Director of Operational Services – Acting City Manager (CAO)



The Corporation of the City of Courtenay

Bylaw No. 3175

A bylaw to amend Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018

The Council of the City of Courtenay, in open meeting assembled, enacts as follows:

Citation

1. This Bylaw shall be cited as “Downtown Courtenay Revitalization Tax Exemption - Amendment Bylaw No. 3175, 2025”.

Amendment

2. “Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018” is amended as follows:

- a) AMENDING SECTION 2. DEFINITIONS by:

- i. ADDING the following definition to Section 2.1 after the word “Council”:

“Improvement” will have the same meaning as set out in the Assessment Act.

- ii. DELETING the following definition from Section 2.1:

~~“Project” means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw, and the construction of which is begun after an application for a Tax Exemption has been submitted to, and approved by, Council;~~

and

REPLACING with:

“Project” means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw and is approved by Council or its delegate;

- b) AMENDING SECTION 4. ELIGIBILITY CRITERIA by:

- i. ADDING the following sub-sections 4.1. h) and i) after sub-section 4.1. g):

h) Notwithstanding sub-section g), an application for a Tax Exemption may be submitted after building permit issuance in the event that extenuating circumstances exist. All other provisions of this bylaw still apply. Such applications must be accompanied by a letter to the Director of Development Services detailing and substantiating the extenuating circumstances that prevented application

submission prior to a building permit issuance and a quantity surveyor report by a Professional Quantity Surveyor or equivalent to the satisfaction of the Director of Development Services or delegate estimating the total construction value at time of a complete application being accepted by the City for the remaining improvements.

and

- i) If a building has received Occupancy Permit (Final Inspection) it does not qualify for Tax Exemption.

- ii. RENUMBERING consecutively the remaining sub-sections within SECTION 4.

- c) AMENDING SECTION 7. APPLICATION PROCESS by:

- i. DELETING the following sub-section a)

~~a) An Owner shall submit a completed application form provided by the City as amended from time to time (with all supporting documentation and the \$200 application fee) to the City concurrently with a building permit application.~~

and

REPLACING WITH:

- a) An Owner shall submit a completed application form provided by the City as amended from time to time (with all supporting documentation and the \$200 application fee) to the City prior to a building permit issuance.

- ii. ADDING the following sub-sections 7. b) and c) after 7. a):

- b) Application shall include a covering letter with a brief description of the Project, including an estimate of the construction value of the project, details of the floor area of the project by land use type(s), the number of residential units (if applicable), and an estimated date of obtaining an occupancy permit;

and

- c) An application for a Parcel that does not have an approved Development Permit must include a concept plan with information on the proposed use of the Parcel, details on the floor area, the number of residential units (if applicable), and conceptual renders of the form and character;

- iii. RENUMBERING consecutively the remaining sub-sections within SECTION 7.

- d) AMENDING SCHEDULE "B" Revitalization Tax Exemption Agreement by:

- i. DELETING the following section 21:

~~21. Any construction of a new improvement or alteration of an existing improvement as~~

~~of this bylaw undertaken prior to the application for a Revitalization Tax Exemption
will not be eligible for consideration.~~

and

- ii. RENUMBERING consecutively the remaining sub-sections within SCHEDULE “B”.

3. This bylaw is effective as of the date of its adoption.

Severability

4. If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of the Bylaw is deemed valid.

Read a first time this [dd]th day of [month], 20[yy]

Read a second time this [dd]th day of [month], 20[yy]

Notice published pursuant to Section 227 of the *Community Charter* on the [dd]th day of [month], 20[yy]
and the [dd]th day of [month], 20[yy].

Read a third time this [dd]th day of [month], 20[yy]

Adopted this [dd]th day of [month], 20[yy]

Mayor Bob Wells

Corporate Officer

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO.2937

Downtown Courtenay Revitalization Tax Exemption Bylaw

WHEREAS Council may by bylaw establish a revitalization tax exemption program under section 226 [revitalization tax exemption] of the *Community Charter*;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in order to encourage redevelopment and revitalization of those areas, identified in Schedule "A";

AND WHEREAS Council has identified in its strategic priorities that revitalizing downtown is critical to the City's economic future;

AND WHEREAS the City has adopted a "Downtown Courtenay Playbook" that specifically identified the establishment of a Revitalization Tax Exemption Bylaw as a means to stimulate downtown development projects;

AND WHEREAS Council has given notice of its intention to adopt this bylaw in accordance with section 227 of the *Community Charter* and considered this bylaw in conjunction with the objectives and policies set out in section 165(3.1)(c) of the *Community Charter* in the City's financial plan.

NOW THEREFORE the Council of the Corporation of the City of Courtenay, in open meeting assembled, enacts as follows:

1. CITATION

- 1.1. This bylaw may be cited for all purposes as "**Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018**".

2. DEFINITIONS

- 2.1. In this bylaw:

"Agreement" means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the City, substantially in the format of and with the content of Schedule "B" which is attached to and forms part of this bylaw;

"Assessed Value" means the BC Assessment Authority land and improvements assessed value of the parcel subject to an Agreement for the purposes of calculating property taxes;

"City" means the City of Courtenay;

"Council" means the Council of the City of Courtenay;

"Municipal property taxes" means the property taxes imposed on new buildings or eligible improvements on eligible lands shown on Schedule "A" and as prescribed in the *Community Charter*, this does not include taxes levied by the City on behalf of Schools, Library, MFA, Regional Districts, Hospital or BC Assessment Authority;

"Owner" means the owner as registered on the Certificate of Title as of the tax exemption application date;

"Project" means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw, and the construction of which is begun after an application for a Tax Exemption has been submitted to, and approved by, Council;

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

"Revitalization Amount" means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the property resulting from the construction or alterations of a project;

"Revitalization Area" means one of the areas outlined on Schedule "A", which is attached to and forms part of this Bylaw;

"Revitalization tax exemption agreement" means an agreement between the owner of a property and the City, substantially in the format of and with the content of Schedule "B" which is attached to and forms part of this bylaw;

"Tax Exemption" means a revitalization tax exemption pursuant to this bylaw;

"Tax Exemption Certificate" means a revitalization tax exemption certificate issue by the City pursuant to this bylaw, the relevant Agreement, and the provisions of section 226 of the Community Charter, in the form of Schedule "C", which is attached to and forms part of this bylaw.

3. DOWNTOWN 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*.

3.2 The terms and conditions upon which a *Tax Exemption* may be granted and a *Tax Exemption Certificate* may be issued are as set out in this Bylaw, in the Agreement and in the *Tax Exemption Certificate*.

3.3 The downtown revitalization tax exemption program is established under this Bylaw in order to promote the revitalization of Downtown Courtenay through:

- a) The development and redevelopment of buildings used for residential purposes to increase the population density in downtown Courtenay to support commercial success;
- b) The development and redevelopment of commercial buildings to create a vibrant downtown that attracts new investment opportunities and supports increased residential viability;
- c) To reinforce and strengthen downtown Courtenay as the commercial heart of the Comox Valley.

3.4 The revitalization tax exemption program is intended to accomplish the objectives referred to in Section 3.3 by providing Owners with an economic incentive in the form of a tax exemption to undertake the development of new improvements.

4. ELIGIBILITY CRITERIA

4.1 In order for a *project* to be considered by Council for a *Tax Exemption* it must meet the following criteria:

- a) For commercial *projects*, the *project* must involve construction that results in floor space being added to an existing building or in a new building being constructed on the *property*;
- b) The construction value for commercial *projects*, as determined based on the building permit(s) issued, must be \$200,000.00 or greater;
- c) Residential *projects* in Downtown Revitalization Area 2 must include four (4) residential units or more;
- d) the land use into which the *project* is intended to fit must be one of the uses permitted in the applicable zone for the *property*, as set out in City of Courtenay Zoning Bylaw 2500, 2007, as amended from time to time, and the *project* must meet all other applicable City policies and bylaws;

- e) the *owner* of the *property* must enter into an Agreement with the City;
- f) the *property* must be located in one of the Revitalization Areas shown on Schedule "A" attached hereto and forming part of the Bylaw;
- g) Any construction of a *project* undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration;
- h) *Properties* currently receiving a municipal tax exemption shall not be considered by Council for a Tax Exemption.
- i) *Projects* involving *properties* with any unpaid property taxes in arrears shall not be considered by Council for a Tax Exemption.
- j) The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the *assessed value* of the improvements on the property between;
 - i. The calendar year before the *project* began; and
 - ii. The calendar year in which the *project* is completed.

5. DOWNTOWN REVITALIZATION AREA 1

5.1 The amount of the tax exemption is:

- a) 100% of the *Revitalization Amount* on the *property* for Commercial, Residential or Mixed-Use development.

5.2 The term of the tax exemption is

- a) 5 years for a *project* that is a commercial, residential or mixed-use building
- b) 8 years for a *project* that is a residential, or mixed-use building where the Owner enters into a Housing Agreement pursuant to s. 483 of the *Local Government Act* to:
 - i) Secure 10% of the residential units (minimum 1 unit) as affordable housing units; and
 - ii) Restricts the rents, lease, sale or share prices that may be charged for the units at 30% below market rates.

6. DOWNTOWN REVITALIZATION AREA 2

6.1 The amount of the tax exemption is:

- a) 100% of the *Revitalization Amount* on the *property* for Residential Development containing four (4) or more dwelling units;
- b) 50% of the *Revitalization Amount* on the *property* for Commercial developments

6.2 The term of the tax exemption is:

- a) 5 Years for a *project* that is a commercial, residential or mixed-use development
- b) 8 years for a *project* that is a residential, or mixed-use building where the Owner enters into a Housing Agreement pursuant to s. 483 of the *Local Government Act* to:
 - i) Secure 10% of the residential units (minimum 1 unit) as affordable housing units; and
 - ii) Restricts the rents, lease, sale or share prices that may be charged for the units at 30% below market rates.

7. APPLICATION PROCESS

Council may, by resolution, authorize a municipal property tax exemption pursuant to this bylaw in the manner prescribed herein:

- a) An Owner shall submit a completed application form provided by the City as amended from time to time (with all supporting documentation and the \$200 application fee) to the City concurrently with a building permit application.
- b) Upon issuance of an authorizing resolution by Council, the Owner and the City shall enter into a *revitalization tax exemption agreement* in a form provided by the City as amended from time to time.
- c) Upon execution of the *revitalization tax exemption agreement* between the owner and the City, a *tax exemption certificate* shall be issued and applied to the subject property.

8. RECAPTURE OF EXEMPTED TAXES

If a *property* that has benefited from a *tax exemption* under the Revitalization Tax Exemption Program established by this bylaw ceases to meet all the conditions of the *Tax Exemption Certificate*, then the *Tax Exemption Certificate* shall be cancelled and all the taxes which were exempted in respect of that *property* shall be repaid, plus interest, as if the taxes had never been exempted, and the City shall add those taxes to the roll for that property.

Read a first time this 16th day of July, 2018

Read a second time this 16th day of July, 2018

Notice published pursuant to Section 227 of the *Community Charter* on the 7th day of August and the 9th day of August, 2018.

Read a third time this 20th day of August, 2018

Finally passed and adopted this 4th day of September, 2018

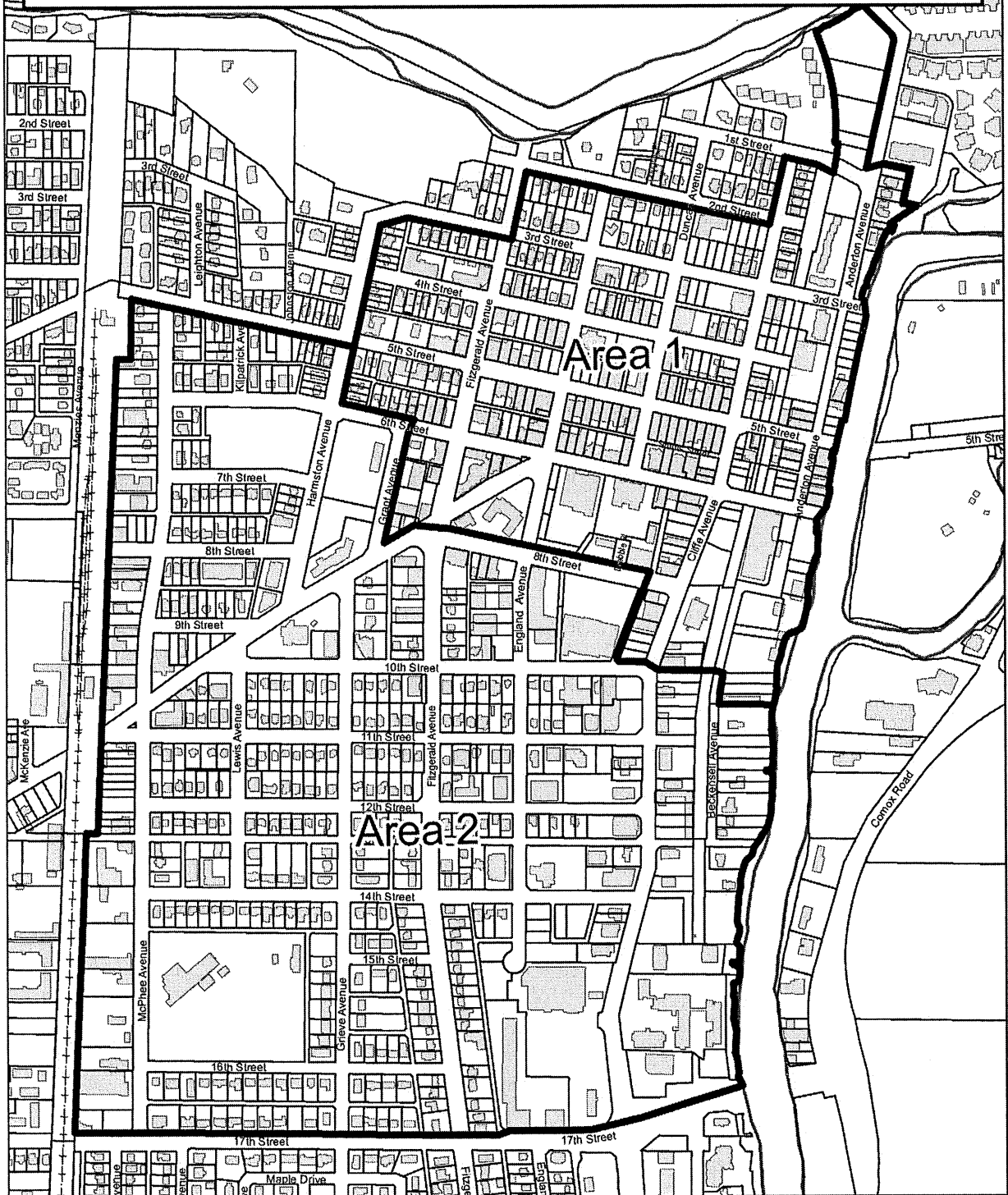
Mayor



Corporate Officer



Downtown Courtenay Revitalization Tax Exemption Areas Schedule A to Bylaw 2937



SCHEDULE "B"

Revitalization Tax Exemption Agreement

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

BETWEEN:

XXXX
(the "Owner")

AND:

THE CITY OF COURTENAY
830 Cliffe Avenue
Courtenay, B.C.
V9N 2J7
(the "City")

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of lands in the City of Courtenay at *[civic address]* legally described as *[legal description]* (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new improvements *[or alter existing improvements]* on the Parcel as described in Appendix "A" attached to and forming part of this agreement (the "Project") and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program;

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

- 1. **The Project** – the Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, as outlined in the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will:
 - a)
 - b)
- 2. **Operation and Maintenance of the Project** – throughout the term of this agreement, the

Owner shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3. **Revitalization Amount** – In this agreement, “**Revitalization Amount**” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the Parcel resulting from the construction of the Project as described in section 1;
4. **Revitalization Tax Exemption** – subject to fulfilment of the conditions set out in this agreement and in “Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937”, the City shall issue a revitalization tax exemption certificate (the “Tax Exemption Certificate”) to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the Revitalization Amount on the Parcel (the “Tax Exemption”) for the calendar year(s) set out in this agreement.
5. **Conditions** – the following conditions shall be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Project:
 - a) The Owner must obtain a building permit from the City for the Project on or before _____, 20____;
 - b) The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached hereto as Appendix “A”.
 - c) The Owner must submit a copy of the Occupancy Permit and Revitalization Tax Exemption Agreement to the City of Courtenay’s Finance Department before the City will issue the Tax Exemption Certificate.
 - d) The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto, as determined by the City’s Urban Planning Manager or designate, in their sole discretion, acting reasonably.

6. **Calculation of Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be equal to *[choose one from below and insert applicable wording]*:
- a) For “Downtown Revitalization Area 1”, 100% of the Revitalization Amount on the Parcel;
 - b) For “Downtown Revitalization Area 2,”
 - i. 100% of the Revitalization Amount on the parcel for Residential Development containing four (4) or more dwelling units;
 - ii. 50% of the Revitalization Amount on the parcel for Commercial developments
7. **Term of Tax Exemption** – provided the requirements of this agreement, and of the Downtown Courtenay Revitalization Tax Exemption Program Bylaw No. 2937, are met the Tax Exemption shall be for the taxation years _____ to _____, inclusive.
8. **Compliance with Laws** – the Owner shall construct the Project and, at all times during the term of the Tax Exemption or any renewal term, 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.
9. **Effect of Stratification** – if the Owner stratifies the Parcel under the Strata Property Act, then 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 currency of this agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
 - b. for the next calendar year and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office after May 1.
10. **Cancellation** – the City may in its sole discretion cancel the Tax Exemption Certificate at any time:
- a. on the written request of the Owner; or
 - b. effective immediately upon delivery of a notice of cancellation to the Owner if at any time any of the conditions in the Tax Exemption Certificate are not met.
 - c. If the Owner is subject to a housing agreement with the City and is not in compliance with the operating agreement.

If such cancellation occurs, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any Tax Exemption received after the cancellation of the Tax Exemption Certificate.

11. **No Refund** – for greater certainty, under no circumstances will the Owner be entitled under the City's revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
12. **Notices** – any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Parcel, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:

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

THE CITY OF COURTENAY
830 Cliffe Avenue
Courtenay, B.C.
V9N 2J7

Attention:

Fax:

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

[Insert name and address of owner]

Attention:

Fax:

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

13. **No Assignment** – the Owner shall not assign its interest in this agreement except to a subsequent owner in fee simple of the Parcel.
14. **Severance** – if any portion of this agreement is held 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.
15. **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 require.

16. **Further Assurances** – the parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this agreement.
17. **Waiver** – waiver by the City of a default by the Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
18. **Powers Preserved** – this agreement does not:
 - a. Affect or limit the discretion, rights or powers of the City 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 shall 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 City.
19. **Reference** – every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
20. **Enurement** – this agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
21. Any construction of a new improvement or alteration of an existing improvement as of this bylaw undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration
22. The maximum Revitalization Tax Exemption authorized under this Bylaw must not exceed the Revitalization Amount on the Property between:
 - a. the calendar year before the construction or alteration began, as outlined under Section 1 of this agreement; and
 - b. the calendar year in which the construction or alteration, as outlined under Section 1 of this agreement, is completed.
23. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.

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

Executed by the CITY OF COURTENAY by

Its authorized signatories:

Mayor

City Clerk

Executed by _____ by its

Authorized signatories:

Name:

Name:

Appendix "A": Plans and Specifications

Appendix "B": Performance Criteria

SCHEDULE "C"
Tax Exemption Certificate

Date of Issuance: _____

Certificate Number: _____

Term: _____

Date of Expiry: _____

Legal Description: _____

Property Address: _____

Property Roll Number: _____

Increase in Assessed Value: The increase in assessed value the property tax exemption is based on is: **[insert amount of increase resulting from improvements]**

This certificate certifies that the property is subject to a Revitalization Tax Exemption, for each of the taxation years 20__ to 20__ inclusive, equal to **[enter percent of reduction]**% of the Increase in Assessed Value multiplied by the municipal rate of tax in effect for **[enter tax class]**.

1. This Certificate is subject to the condition that:

a) The Owner continuously meet all of its covenants and obligations under the Revitalization Tax Exemption Agreement between the Owner and the City dated _____

b) All of the conditions under the Agreement for receipt of a tax exemption continue to be met; and

c) The Agreement is not subject to early termination.

2. If the Certificate is cancelled during a year in which the Owner has received an exemption from taxes, a recapture amount is payable calculated as equal to a percentage of the amount of the exemption with the percentage derived from the period of the taxation year remaining 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