

SUMMARY



Downtown Revitalization Tax Exemption Program

1. Revitalization Tax Exemptions

Under the provisions of section 226 of the Community Charter a revitalization tax exemption program may be established by bylaw for an area designated as a revitalization area in the Official Community Plan or the Financial Plan.

Council may enter into an agreement with property owners within the designated area and upon the issuance of an exemption certificate to BC Assessment; those improvements subject to the certificate are exempt from municipal property value taxes for a period of time not longer than five years.

2. Downtown Revitalization Tax Exemption Program Summary

The area shown in bold outline on the attached drawing defines those properties within the downtown core commercial district that are eligible for a revitalization tax exemption. All properties within the designated area and zoned C1 - Core Commercial, C1-A - Mixed Use Downtown, C2 - Shopping Centre Commercial and C7 - Downtown Tourism Zones as defined in City of Terrace Zoning Bylaw No. 1431-1995 are eligible to enter into a tax exemption agreement.

The exemption will be in accordance with the downtown tax exemption program bylaw. The amount of the exemption will be subject to the conditions of a tax exemption certificate, which will also provide for the recapture of taxes if conditions of the certificate are not met.

The exemption certificate will be in effect for a period of five years.

3. Downtown Revitalization Tax Exemption Program Details

3.1. Reasons for and Objectives of Designation

Council has established objectives in the Financial Plan and Revitalization Tax Exemption Program to support the ongoing redevelopment and revitalization of the downtown to secure the future economic and social health of the city and has determined that a rejuvenated and vibrant downtown commercial core is vital to the success of the local economy and the enhancement of business, social and cultural, government and residential activities.

Council supports the ongoing redevelopment of the downtown as the primary area of business, cultural and government activity. Increased density in the downtown, in commercial, institutional and residential uses is vital in achieving these goals. Revitalization of the downtown is one of the key issues and concerns of residents of Terrace. A rejuvenated downtown is a key component in developing the City as the northwest B.C.'s commercial and service center.

The downtown has significance in terms of the future economic health of the City. This program is intended to stimulate development initiatives in the downtown and reinforces the municipality's "open for business" approach and desire to attract high quality development to the downtown area.

3.2. Terms and Conditions of Exemptions

The amount of the annual Tax Exemption shall be equal to the tax on the increase in the assessed value of improvements.

BC Assessment will determine the value of the improvement, which will also determine the value of the exemption.

An exemption is subject to the maximum of the increase in assessed value between the year before the construction began and the year in which the tax exemption certificate is issued. An exemption of 100% of the tax on the increased assessed value will be granted.

The exemption will apply to those uses listed as permitted in the C1 – Core Commercial, C1-A Mixed Use Downtown, C2 – Shopping Centre Commercial and C7 – Downtown Tourism Zoning Districts of the Zoning Bylaw (Bylaw No. 1431-1995).

The tax exemption will apply to municipal taxes only and not to school district and other taxes.

A tax exemption may be cancelled by Council:

- Upon violation of the conditions established in the Tax Exemption Certificate.*
- Upon the written request of the property owner.*

3.3. Tax Exemption Agreement

Council will enter into an agreement with the owner of property within the revitalization area. The agreement will describe the proposed development and indicate how this development supports the revitalization

of the downtown. The agreement will stipulate the completion date of the development.

The development must have a construction value of \$50,000 in order to be considered for the agreement.

The tax exemption agreement is subject to the terms and conditions of the tax exemption program bylaw.

3.4. Tax Exemption Certificate

The revitalization tax exemption certificate will specify that assessed value will be the determining factor or formula used for determining the tax exemption.

A revitalization tax exemption certificate must be issued for a property that has met the terms and conditions established in the bylaw and the tax exemption agreement.

The term of the exemption is in accordance with the tax exemption program bylaw.

The tax exemption certificate must be issued or cancelled prior to October 31st in the year prior to being effective.

The designated municipal officer, Director of Finance, will provide a copy of the tax exemption certificate to BC Assessment. The Director of Finance is also responsible for notifying BC Assessment of a cancelled tax exemption certificate.

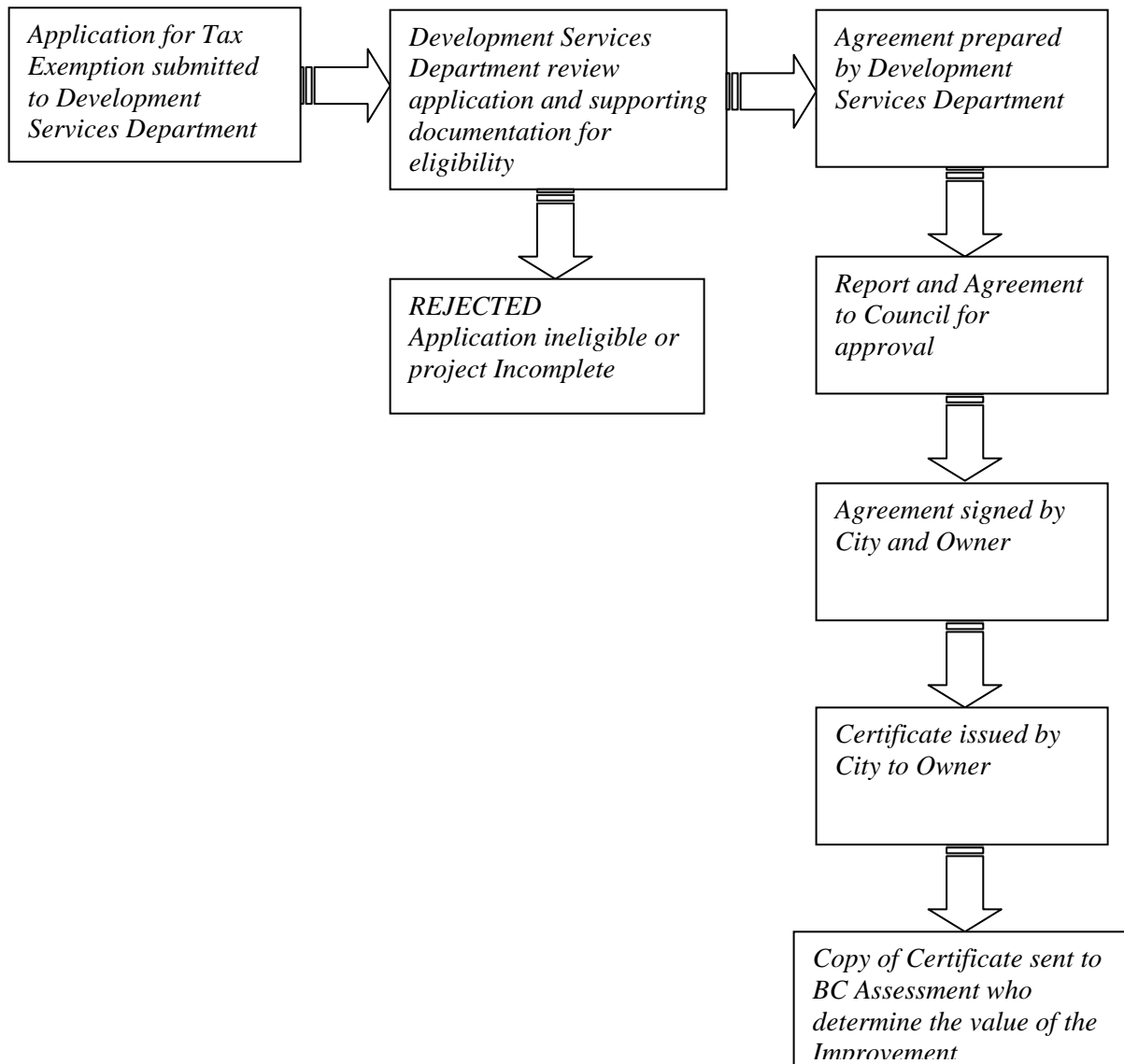
If the terms and conditions of the tax exemption program bylaw are not met, and the tax exemption certificate is cancelled for the immediate subsequent year, a recapture of foregone tax revenue will be assigned to the property for each year in which the exemption was received after cancellation.

For further information on the Downtown Tax Exemption Program please contact:

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250-615-4028
dblock@terrace.ca



DOWNTOWN REVITALIZATION TAX EXEMPTION PROGRAM FLOW DIAGRAM



CITY OF TERRACE

BYLAW NO. 1946 – 2009

**"A BYLAW OF THE CITY OF TERRACE TO ESTABLISH A DOWNTOWN
REVITALIZATION TAX EXEMPTION PROGRAM."**

WHEREAS under the provisions of Section 226 of the Community Charter, the Municipal Council of the City of Terrace may, by bylaw, establish a revitalization tax exemption program;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the downtown commercial and residential areas, shown in bold outline on Schedule 'A', attached to, and forming part of, this bylaw;

AND WHEREAS Council's objectives for the revitalization tax exemption program in the downtown commercial core area is to support the ongoing redevelopment and revitalization of the downtown to secure the future economic and social health of the city;

AND WHEREAS Council has determined that a rejuvenated and vibrant downtown commercial core is vital to the success of the local economy and the enhancement of business, social and cultural, government and residential activities;

AND WHEREAS Council is of the opinion that the revitalization tax exemption program will stimulate the rejuvenation of the downtown commercial and residential districts and thus achieve Council's objectives.

AND WHEREAS Section 165 of 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 provisions have been set out in Financial Plan Bylaw No. 1944 – 2009 and are consistent with this bylaw.

AND WHEREAS Section 227 of the Community Charter requires that notice be given of a revitalization tax exemption and notice of this bylaw has been given accordingly;

NOW THEREFORE, the Municipal Council of the City of Terrace, in open meeting assembled, hereby enacts as follows:

1.0 In this bylaw:

"Agreement" means a revitalization tax exemption agreement between the owner of a parcel and the City, substantially in the form attached to, and forming part of, this bylaw as Schedule 'B';

“City” means the City of Terrace;

“Council” means the Council of the City of Terrace;

“Parcel” has the same meaning as in the Schedule to the Community Charter and, for the purposes of this bylaw, means a parcel situated within the Revitalization Area;

“Project” means the construction of a new improvement or alteration of an existing improvement on a Parcel;

“Revitalization Area” means the area within the bold outline on the drawing, which is attached as Schedule ‘A’ to this bylaw, and the area includes the core downtown commercial and residential districts within the City of Terrace;

“Schedule” means a schedule attached to this bylaw;

“Tax Exemption” means a revitalization tax exemption for which a Tax Exemption Certificate has been issued;

“Tax Exemption Certificate” or “Certificate” means a revitalization tax exemption certificate issued by the City of Terrace pursuant to this bylaw and pursuant to the provisions of Section 226 of the Community Charter, substantially in the form attached to, and forming part of, this Bylaw as Schedule ‘C’.

- 2.0 *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 Parcels in accordance with the terms and conditions prescribed in this bylaw.*
- 3.0 *The terms and conditions upon which a Tax Exemption Certificate may be issued are prescribed in sections 6.0 and 7.0 of this Bylaw, and the specific terms and conditions applicable to a specific Parcel must be included in the Agreement and in the Tax Exemption Certificate for that Parcel.*
- 4.0 *The amount of the annual Tax Exemption over the period for which the Tax Exemption Certificate is issued shall be equal to the tax on the increase in the assessed value of improvements on the Parcel between:*
 - a) *the year before the commencement of construction of the Project; and*
 - b) *the year in which the Tax Exemption Certificate under this bylaw is issued.*

- 5.0 *In order for a Project to be considered by Council for an Agreement the following terms and conditions must be met:*
- (a) all conditions of a valid Development Permit and/or Building Permit for the Project must have been completed;*
 - (b) the Project must have a construction value of at least \$50,000.00;*
 - (c) the land use for which the Project is intended must be one of the uses permitted in the C1 - Core Commercial, C1-A - Mixed Use Downtown, C2 - Shopping Centre Commercial, C7 - Downtown Tourism, P2 – Park and Recreation, R4 – Medium Density Multi-Family Residential and R5 – High Density Multi-Family Residential Zones as defined in City of Terrace Zoning Bylaw No. 1431-1995, and amendments thereto and applicable to the Parcel on which the Project will be developed; and*
 - d) the Project shall comply with all eligibility criteria specified within the Revitalization Tax Exemption Agreement Schedule 'B' attached to, and forming part of, this bylaw.*
- 6.0 *The maximum term of a Tax Exemption is dependent upon when the Tax Exemption Certificate for the Parcel is issued by the Director of Finance pursuant to the Bylaw and applicable Agreement according to the following requirements and, in any case must not exceed 10 years:*
- a) if the Certificate is issued by the City and entered on the assessment roll on or before October 31, 2009, then the Tax Exemption will be available for the 2010 calendar year and for the 4 subsequent calendar years;*
 - b) if the Certificate is issued by the City and entered on the assessment roll on or before October 31, 2010, then the Tax Exemption will be available for the 2011 calendar year and for the 4 subsequent calendar years;*
 - c) if the Certificate is issued by the City and entered on the assessment roll on or before October 31, 2011, then the Tax Exemption will be available for the 2012 calendar year and for the 4 subsequent calendar years;*
 - d) if the Certificate is issued by the City and entered on the assessment roll on or before October 31, 2012, then the Tax Exemption will be available for the 2013 calendar year and for the 4 subsequent calendar years; and*
 - e) if the Certificate is issued by the City and entered on the assessment roll on or before October 31, 2013, then the Tax Exemption will be available for the 2014 calendar year and for the 4 subsequent calendar years.*

- 7.0 *Application for a Tax Exemption and confirmation of Project completion must be submitted in a form acceptable to the Director of Development Services no later than July 31 of the years 2009, 2010, 2011, 2012 or 2013 in order for the Certificate to be entered on the assessment roll for the period of time indicated in Section 7.0.*
- 8.0 *If an owner of a Parcel wishes Council to consider entering into an Agreement with the owner, the owner must apply to the City in writing and must submit the following:*
- a) *a completed application form as provided by the City and available at the Development Services Department;*
 - b) *a certificate 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;*
 - c) *a description of the Project and confirmation that all conditions of a Development Permit and/or Building Permit have been completed;*
 - d) *a certificate from the owner's design professional in a form satisfactory to the City's Director of Development Services certifying that the construction value of the Project exceeds \$50,000.00; and*
 - e) *a fee in the amount of \$500.00.*
- 9.0 *If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the Certificate is cancelled, the owner of the property for which the Certificate was issued will remit to the City, no later than 30 days after the date of the cancellation of the Certificate, an amount equal to the amount of the Tax Exemption received after the date of the cancellation of the Certificate.*
- 10.0 *The Director of Finance for the City of Terrace, or the Director's designate, is the designated municipal officer for the purpose of Section 226 of the Community Charter.*
- 11.0 *The Schedules to this bylaw form a part of and are enforceable in the same manner as this bylaw.*
- 12.0 *This Bylaw may be cited, for all purposes, as "**City of Terrace Downtown Revitalization Tax Exemption Bylaw No. 1946 – 2009**".*

READ a first time this 10th day of November, 2008.

READ a second time this 10th day of November, 2008.

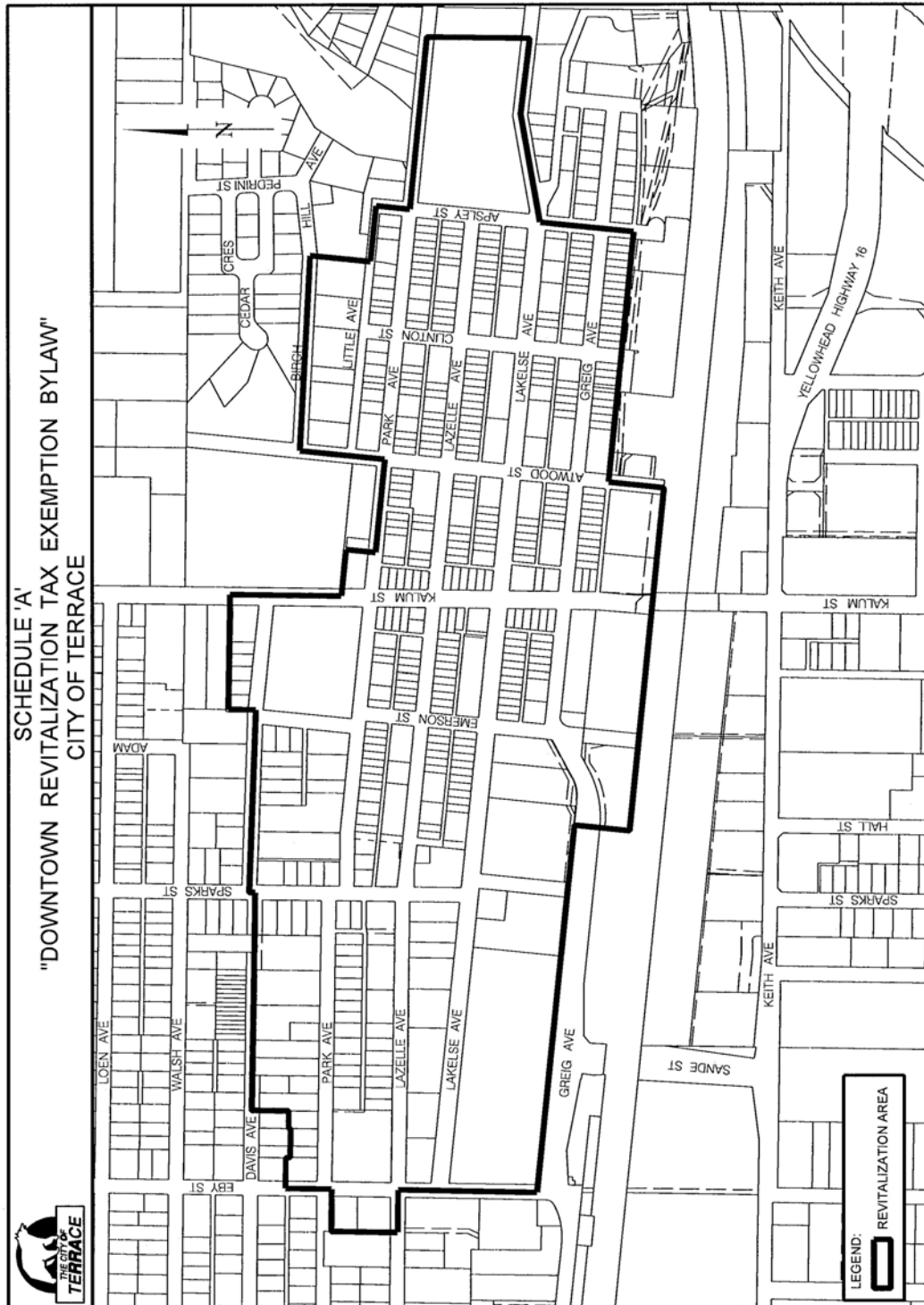
READ a third time this 11th day of May, 2009.

ADOPTED this 8th day of June, 2009.

Mayor

Deputy Clerk

SCHEDULE 'A'
REVITALIZATION AREA



REVITALIZATION TAX EXEMPTION AGREEMENT

This Agreement dated for reference the ___ day of _____, 20__ is

BETWEEN:

(the "Owner")

AND:

CORPORATION OF THE CITY OF TERRACE,
3215 Eby Street
Terrace, British Columbia V8G 2X8

(the "City")

GIVEN THAT:

- A. *The Owner is the registered owner in fee simple of lands in the City of Terrace at [civic address] legally described as [legal description] (the "Parcel");*
- B. *Council has established a revitalization tax exemption program in a part of the downtown commercial area consisting of the parcels shown within the revitalization area delineated on Schedule 'A' of Downtown Revitalization Tax Exemption Bylaw No. 1946 – 2009 (the "Bylaw");*
- C. *Council's objectives in designating the parcels within the revitalization area are to foster the rejuvenation of the downtown commercial district of the City of Terrace for business, cultural, government and residential activity; and*
- D. *The Owner proposes to construct new improvements, or alter existing improvements, on the Parcel and has applied to the City to partake in the revitalization tax exemption program in respect of this Project and the City has agreed to accept the Project under the program;*

THIS AGREEMENT is evidence that in consideration of the following commitments, the Owner and the City covenant and hereby agree that:

1. Eligibility – *A revitalization tax exemption will only be granted for a Parcel if:*
 - a) *the Owner has been issued a Development Permit for the Project on or after March 1, 2008;*
 - b) *a solely residential development Project creates ten (10) or more new residential dwelling units.*

2. 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 set out in the Bylaw.
3. Operation and Maintenance of Project – Throughout the term of the Tax Exemption the Owner must operate, repair and maintain the Project and keep the Project in a state of good repair as a prudent owner would do.
4. Revitalization Tax Exemption – Subject to fulfillment of the conditions set out in this Agreement and in the Bylaw, the City will issue a revitalization tax exemption certificate (the “Certificate”) to the Owner and provide the relevant assessor of BC Assessment with a copy of the Certificate entitling the Owner to a property tax exemption in respect of the Parcel (the “Tax Exemption”) for the calendar years set out in this Agreement. The Certificate will be in the form attached to the Bylaw as Schedule ‘C’.
5. Conditions – The following conditions must be met before the City will issue a Certificate to the Owner:
 - a) The Owner must obtain a Development Permit from the City on or after March 1, 2008 for the Project prior to commencing the Project.
 - b) The Owner must obtain a Building Permit, if applicable, from the City on or after March 1, 2008 for the Project prior to commencing the Project.
 - c) If a Development Permit is not required for the Project, only those improvements strictly related to providing accessibility to an existing improvement on the Parcel (as long as a Building Permit is obtained for those improvements, if required) are eligible for a Tax Exemption.
 - d) If the Project consists solely of a residential multi-family development the number of new dwelling units constructed must total ten (10) or more dwelling units.
 - e) The Owner must complete, or cause to be completed, construction of the Project in conformance with the conditions of all Development Permit(s) and/or Building Permit(s) issued for the Parcel and in compliance with all laws, statutes, regulations and Orders of any authority having jurisdiction, including bylaws of the City.
 - f) The Owner must provide the City with documentation from the Owner’s design professional, or copies of valid paid invoices for work completed for the Project, in a form and content satisfactory to the

City's Director of Development Services, which certifies that the actual costs to construct the Project exceeds \$50,000.00.

6. Calculation of Revitalization Tax Exemption – *The amount of the annual Tax Exemption shall be equal to the tax on the increase in the assessed value of improvements on the Parcel between:*
 - a) *The year before the commencement of construction of the Project, and*
 - b) *The year in which the Tax Exemption Certificate is issued.*

7. Term of Revitalization Tax Exemption – *The maximum term of the Tax Exemption under this Agreement depends on when the Tax Exemption Certificate for the Parcel is issued by the City's Financial Officer pursuant to the Bylaw and applicable Agreement:*
 - a) *if the Certificate is issued by the City and entered on the assessment role on or before October 31, 2009, then the Tax Exemption will be available for the 2010 calendar year and for the 4 subsequent calendar years;*
 - b) *if the Certificate is issued by the City and entered on the assessment role on or before October 31, 2010, then the Tax Exemption will be available for the 2011 calendar year and for the 4 subsequent calendar years;*
 - c) *if the Certificate is issued by the City and entered on the assessment role on or before October 31, 2011, then the Tax Exemption will be available for the 2012 calendar year and for the 4 subsequent calendar years;*
 - d) *if the Certificate is issued by the City and entered on the assessment role on or before October 31, 2012, then the Tax Exemption will be available for the 2013 calendar year and for the 4 subsequent calendar years;*
 - e) *if the Certificate is issued by the City and entered on the assessment role on or before October 31, 2013, then the Tax Exemption will be available for the 2014 calendar year and for the 4 subsequent calendar years.*

8. Cancellation

- a) *The City may cancel the Certificate if the Owner requests cancellation in writing or fails to meet any of the conditions specified in the Certificate as conditions on which the Tax Exemption was provided.*
- b) *If a Certificate is cancelled on or before October 31 in any year, it will apply to taxation in the following calendar year; otherwise it will apply to taxation in the year after the following calendar year.*
9. *Recapture – 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 City, no later than 30 days after receiving notice from the City of the cancellation and the amount owing, an amount equal to the value of the tax exemption received after the date of the cancellation of the Certificate.*
10. *No Refund – For greater certainty, under no circumstances will the Owner be entitled, under this Agreement, the Bylaw, the Certificate or 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.*
11. *Enurement – This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.*
12. *Notices – 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 delivered personally (and if so shall be deemed received when delivered) or mailed by prepaid registered mail in any Canada Post Office (and if so shall be deemed 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:*
[mailing address]
- And to the City at:*
City of Terrace
3215 Eby Street
Terrace, B.C. V8G 2X8
Attention: Director of Development Services
- Or to such other address to which a party hereto from time to time notifies the other parties in writing.*
13. *No Assignment – The Owner may 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 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.*
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. References – *A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees and agents.*
18. Date of Effect – *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 City and duly executed by the City.*
19. Expense – *Unless otherwise expressly provided in this Agreement, the expense of performing the obligations and commitments of the Owner contained in this Agreement, and of all matters incidental to those obligations and commitments, is solely at the expense of the Owner.*
20. Owners Representation – *The Owner represents and warrants to the City 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 legally 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 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 hereto have executed this Agreement as of the day and year first above written.

Mayor

Corporate Officer

Owner

Witness

SCHEDULE 'C'**REVITALIZATION TAX EXEMPTION CERTIFICATE****SECTION 226 OF THE COMMUNITY CHARTER**

In accordance with the City of Terrace Downtown Revitalization Tax Exemption Bylaw No. 1946 – 2009, and in accordance with the Revitalization Tax Exemption Agreement dated for reference the _____ day of _____, 20__ (the "Agreement") entered into between the City of Terrace (the "City") and _____ (the "Owner"), the registered owner(s) of the parcel described below:

*This **Certificate** certifies that the Parcel is subject to a revitalization tax exemption in an amount equal to the tax on the increase in the assessed value of improvements on the Parcel between the year before the commencement of construction of the Project, and the year in which the Tax Exemption Certificate is issued.*

The Parcel to which the tax exemption applies is located in the City of Terrace and is described as follows:

Civic Address:

PID:

Legal Description:

The Tax Exemption is for the calendar years 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 covenant or 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 or to become delinquent.*
- 4. The Owner, or a successor in title to the Owner, does not apply to amend the City of Terrace Zoning Bylaw No. 1431- 1995, as amended, consolidated or replaced from time to time, to rezone the parcel from the zoning in effect at the time the Certificate was issued.*
- 5. The Parcel is not put to a use other than those uses permitted in any of the C1 - Core Commercial, C1-A - Mixed Use Downtown, C2 - Shopping Centre Commercial, C7 - Downtown Tourism, P2 – Park and Recreation, R4 – Medium Density Multi-Family Residential and R5 – High Density Multi-Family Residential Zones as defined in City of Terrace Zoning Bylaw No. 1431-1995, and amendments thereto.*
- 6. The Exempt use (as defined in the Agreement) of the Project is not discontinued.*

If any of these conditions are not met then the Council of the City of Terrace may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, the owner of the property for which the Certificate was issued will remit to the City an amount equal to the value of the exemption received after the date of the cancellation of the certificate.

Director of Finance

Date