
Bylaw No. 3746, 2012

(Adopted May 7, 2012)

This is a consolidation of the Downtown Revitalization Tax Exemption Program Bylaw and the adopted Amendment Bylaws listed below. The amending bylaws have been combined with the original Downtown Revitalization Tax Exemption Program Bylaw for convenience only.

THIS CONSOLIDATION IS NOT A LEGAL DOCUMENT.

The Bylaw was consolidated on August 18, 2014

CONSOLIDATION FOR CONVENIENCE PURPOSED ONLY TO INCLUDE:

<u>Bylaw No.</u>	<u>Adoption Date</u>	<u>Particulars</u>
3808	August 18, 2014	Replace Schedules B & C



THE CORPORATION OF THE
CITY OF CRANBROOK

BYLAW NO. _____ **3746**

**DOWNTOWN REVITALIZATION
TAX EXEMPTION PROGRAM BYLAW**

A bylaw to establish a downtown revitalization tax exemption program in the City of Cranbrook.

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

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the downtown commercial areas, shown in bold outline on Schedule 'A', attached to, and forming part of, 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 Cranbrook, in open meeting assembled, hereby enacts as follows:

1. **TITLE**

THAT This Bylaw may be cited, for all purposes, as "City of Cranbrook Downtown Revitalization Tax Exemption Bylaw No. 3746, 2012".

2. **INTERPRETATION**

- 2.1 In this bylaw, unless otherwise required, the singular shall include the plural and the masculine includes the feminine gender.
- 2.2 The headings contained in the bylaw are for convenience only and are not to be construed as defining, or in any way limiting, the scope or the intent of the provisions of the bylaw.
- 2.3 Where ordinary words are capitalized their meaning refers to the definition provided under section 4 of this bylaw.

3. **SEVERABILITY**

- 3.1 If any section, subsection, sentence, clause or phrase of this bylaw is for any reason deemed to be invalid by the decision of any 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 bylaw.

4. DEFINITIONS

In this bylaw, unless the context requires otherwise:

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 Cranbrook;

Council means the Council of the City of Cranbrook;

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 areas within the bold outlines on the drawing, which is attached as Schedule 'A' to this bylaw, and the areas include the core downtown commercial area within the City of Cranbrook;

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 Cranbrook 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'.

5. ESTABLISHMENT

- 5.1 The reason for the program is that taxes are discouraging revitalization of the downtown core in the City and the lack of residential uses within the area discourages business growth due to a lack of customers. The program is intended to achieve the city's objectives as set out in Section 5.2 through use of the tax exemption to encourage new investment in the revitalization area to enhance the economy, bring more residents to live in the downtown and to make the downtown more appealing to both residents and visitors.

5.2 A Revitalization Tax Exemption program is established under this bylaw to:

- (a) Encourage new commercial investment in the downtown core to enhance the local economy;
- (b) Encourage the development of mixed use commercial / residential to promote a more vibrant downtown by adding a residential population that supports local businesses;
- (c) Encourage downtown businesses to enhance or redevelop their interiors and exterior facades adding to the beautification and visual interest in the downtown core.

5.3 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.

6. AMOUNT OF ANNUAL TAX EXEMPTION

6.1 The maximum amount of annual Tax Exemption over the period for which the Tax Exemption Certificate is issued shall be equal to:

- (a) For Commercial Development:
 - (i) 100% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Area A;
 - (ii) 100% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Area B;
 - (iii) 75% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Area C;
 - (iv) 100% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Area D;
 - (v) 50% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Area E;
- (b) For Mixed Use Commercial / Residential development with at least four (4) dwelling units:
 - (i) 100% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Areas A, B, C, D, & E

- (c) For Upgrades to an existing building:
 - (i) 80% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Areas A, B, C, D, & E
- (d) For Exterior Façade improvements:
 - (i) 100% of the municipal share of property tax due annually in relation to improvements on the parcel for Revitalization Areas A, B, C, D, & E

7. TERMS AND CONDITIONS

- 7.1 The terms and conditions upon which a Tax Exemption Certificate may be issued are prescribed in 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.
- 7.2 In order for a Project to be considered by Council for a Tax Exemption, all of the following terms and conditions must be met:
 - (a) Application for Tax Exemption and confirmation of project completion must be submitted no later than October 31, 2020.
 - (b) all conditions of a valid Development Permit and/or Building Permit for the Project must have been completed;
 - (c) the Project must meet the appropriate qualifying criteria for:
 - (i) Commercial Development with a construction value of at least \$400,000, as determined based on building permit value;
 - (ii) Mixed Use Commercial / Residential development with at least four (4) dwelling units having a construction value of at least \$400,000, as determined based on building permit value;
 - (iii) Upgrades to an existing building with a construction value of at least \$50,000 but less than \$400,000, as determined based on building permit value;
 - (iv) Exterior façade improvements with a construction value of at least \$10,000, as determined based on building permit value, or where no building permit is required, submit proof of construction value as required in Section 9.2(d).
 - (d) The land use for which the Project is intended must be one of the uses permitted in the C-1, Community Commercial Zone, C-2, Highway

Commercial Zone and the C-5, Shopping Centre Zone, as defined in City of Cranbrook Zoning Bylaw No. 3737, 2012, as amended from time to time;

- (e) The Project shall comply with all eligibility criteria specified within this Bylaw and the Revitalization Tax Exemption Agreement Schedule 'B' attached to, and forming part of, this bylaw.

8. TERM

- 8.1 The maximum term of a Tax Exemption shall be 5 years subject to issuance of a Tax Exemption Certificate by the Director of Finance & Computer Services.

9. APPLICATION

- 9.1 Application for a Tax Exemption and confirmation of Project completion must be submitted in a form acceptable to the Director of Corporate Services no later than August 1 in the year prior to the year in which the Revitalization Tax Exemption is requested, and in no case shall be later than October 31, 2020 in order to qualify for Tax exemption.
- 9.2 If an owner of a Parcel wishes Council to consider entering into an Agreement, 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 Corporate 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 installments, that all installments owing at the date of application have been paid;
 - (c) a description of the Project;
 - (d) a certificate 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 Corporate Services certifying that the construction value of the Project exceeds the applicable amount specified in Section 7.2(c), and
 - (e) a non-refundable application fee in the amount of \$350.00.

10. **CANCELLATION**

- 10.1 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.

11. **DESIGNATED OFFICER**

- 11.1 The Director of Finance & Computer Services for the City of Cranbrook, or the Director's designate, is the designated municipal officer for the purpose of Section 226 of the *Community Charter*.

12. **SCHEDULES FORM PART OF THE BYLAW**

- 12.1 The Schedules to this bylaw form a part of and are enforceable in the same manner as this bylaw.

13. **ADOPTION**

READ a first time this 23 day of April, 2012.

READ a second time this 23 day of April, 2012.

READ a third time this 23 day of April, 2012.

ADOPTED this 7 day of May, 2012.



Mayor



Director of Corporate Services

SCHEDULE 'B'

Agreement No. V2240.140

REVITALIZATION TAX EXEMPTION AGREEMENT

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

BETWEEN:

(the "Owner")

AND:

**CORPORATION OF THE CITY OF CRANBROOK,
40-10th Avenue
Cranbrook, British Columbia V1C 2M8
(the "City")**

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of lands in the City of Cranbrook at _____ legally described as _____ (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 areas delineated on Schedule 'A' of "City of Cranbrook Downtown Revitalization Tax Exemption Bylaw No. 3746, 2012";
- C. Council's objectives in designating the parcels within the revitalization areas are to encourage new commercial development in the downtown core, encourage development of mixed use commercial / residential uses; and encourage downtown businesses to enhance or redevelop their interiors and exterior facades;

- D. The Owner [proposes to construct / has constructed] new improvements, or alter[ed] existing improvements consisting of : _____

(the "Project"), 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. **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 "City of Cranbrook Downtown Revitalization Tax Exemption Bylaw No. 3746, 2012".
2. **Operation and Maintenance of the 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.
3. **Revitalization Tax Exemption** — Subject to fulfillment of the conditions set out in this Agreement and in the "City of Cranbrook Downtown Revitalization Tax Exemption Bylaw No. 3746, 2012", 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'.
4. **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, if applicable, from the City for the Project prior to commencing the Project.
 - b) The Owner must obtain a Building Permit, if applicable, from the City for the Project prior to commencing the Project.

- d) If the Project consists of a mixed use commercial / residential development the number of new dwelling units constructed must total four (4) 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 Corporate Services, which certifies that the actual costs to construct the Project exceeds \$_____.

5. **Calculation of Revitalization Tax Exemption** — This Certificate certifies that the Parcel is subject to a revitalization tax exemption in an amount equal to _____% of the municipal share of property tax payable on the amount of any increase in the assessed value related to improvements on the parcel calculated as the difference between:

- a. The _____ Revised Roll assessed value of the improvements; and
- b. The Revised Roll assessed value of the improvements in the year in which the Tax Exemption Certificate is applicable

6. **Term of Revitalization Tax Exemption** — The maximum term of the Tax Exemption under this Agreement shall be 5 years subject to issuance of a Tax Exemption Certificate by the Director of Finance & Computer Services.

7. **Effect of Stratification** — If the Owner stratifies the Parcel or the Project 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 in the year of stratification; 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 in the year of stratification;

provided the property owner has assigned this Agreement to the strata corporation.

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:

And to the City at:

**City of Cranbrook
40-10TH Avenue South
Cranbrook, B.C. V1C 2M8
Attention: Director of Corporate 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

Chief Administrative Officer

Owner

Witness

City of Cranbrook			
Approved		Date	Sig.
Municipal Clerk	Legal & Form		
Department Head	Content		

SCHEDULE 'C'

REVITALIZATION TAX EXEMPTION CERTIFICATE

SECTION 226 OF THE COMMUNITY CHARTER

In accordance with the "City of Cranbrook Downtown Revitalization Tax Exemption Bylaw No. 3746, 2012", and in accordance with the Revitalization Tax Exemption Agreement dated for reference the day of , 20 (the "Agreement") entered into between the City of Cranbrook (the "City") and (the "Owner"), the registered owner(s) of the parcel described as:

Civic Address:

PID:

Legal Description:

This Certificate certifies that the Parcel is subject to a revitalization tax exemption in an amount equal to ____% of the municipal share of property tax payable on the amount of any increase in the assessed value related to improvements on the parcel calculated as the difference between:

- a. The (year) Revised Roll assessed value of the improvements; and
- b. The Revised Roll assessed value of the improvements in the year in which the Tax Exemption Certificate is applicable

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 Cranbrook Zoning Bylaw No. 3737, 2012, 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 by the zoning of the property
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 Cranbrook may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, 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.

Director of Finance & Computer Services

Date

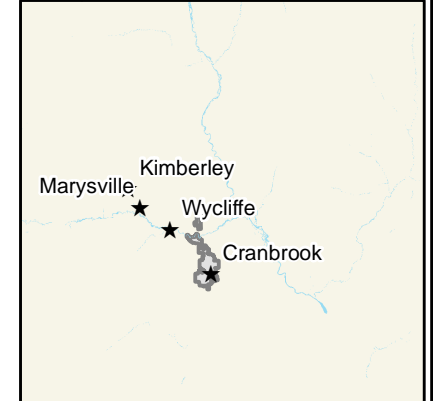


Schedule 'A' Revitalization Areas



- Revitalization Area A
- Revitalization Areas B,C,D,E

Inset Map



1:4,337
0 1020 40 60 80 Metres

Projection: UTM ZONE 11N NAD 83



DISCLAIMER:
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