

Report to Council



Date: December 10, 2018
File: 1220-02
To: City Manager
From: Ross Soward, Planner Specialist
Subject: 1730 Richter Street Revitalization Tax Exemption Amended Agreement

Recommendation:

THAT Council authorize staff to amend the Revitalization Tax Exemption Agreement RTE18-0002 with 1017476 B.C. Ltd (Al Stober Construction Ltd) for Lot 1 Plan 92715 at 1730 Richter Street, Kelowna, BC, in the form attached to the report from the Planner Specialist, dated December 10, 2018;

AND THAT the Mayor and City Clerk be authorized to execute all documents necessary to complete this transaction.

Purpose:

To amend the Revitalization Tax Exemption (RTE) Agreement with 1017476 B.C. Ltd (Al Stober Construction Ltd) for purpose-built rental housing in accordance with Revitalization Tax Exemption Program Bylaw No. 9561.

Background:

On September 24, 2018 Council approved a 10-year Revitalization Tax Exemption Agreement with 1017476 B.C. Ltd (Al Stober Construction Ltd.) for rental housing in accordance with Revitalization Tax Exemption Program Bylaw No. 9561. The project at 1730 Richter Street is an 80-unit purpose-built market rental housing project within the Central Green development at Richter St. and Harvey Ave.

As part of the revitalization tax exemption agreement that Council approved in September 2018 the applicant estimated the occupancy date of October 2018 to allow for the exemption to begin in 2019. However, the construction of the project was delayed and the occupancy date has been pushed back several months. As a result, the term of the 10-year exemption therefore needs to be amended from 2019-2028 to 2020-2029. The amended revitalization tax exemption agreement requires several minor

amendments to reflect the updated occupancy date and revised term of exemption. All 80 units are still secured for purpose-built rental housing as per the rental housing agreement that is in place. The amended agreement also includes the agreement signed in September 2018 as an attachment and will serve as the complete agreement between the City of Kelowna and 1017476 B.C. Ltd (Al Stober Construction).

Internal Circulation:

Revenue Manager, Financial Services
Divisional Director, Community Planning & Real Estate
Manager, Long Range Policy Planning
Department Manager, Policy & Planning

Legal/Statutory Authority:

Revitalization Tax Exemption Program Bylaw No. 9561, 2006
Community Charter, Division, Section 226

Legal/Statutory Procedural Requirements:

The Revitalization Tax Exemption Bylaw No. 9561 supports municipal tax incentives for purpose-built rental housing when the vacancy rate for rental housing is at three per cent or lower.

Existing Policy:

Official Community Plan Bylaw No. 10500

Revitalization Tax Exemption Program Bylaw No. 9561 Policy 5.1.3

Submitted by: R. Soward, Planner Specialist

Approved for inclusion: J. Moore, Manager Long Range Policy & Planning

Attachments:

1. Schedule A - Revitalization Tax Exemption Amended Agreement