

Report to Council



Date: June 24, 2019
File: 1200-02
To: City Manager
From: Ross Soward, Planner Specialist
Subject: Revitalization Tax Exemption Bylaw – Housekeeping Updates

Recommendation:

THAT Council receives, for information, the report from the Planner Specialist, dated June 24, 2019 regarding the Revitalization Tax Exemption Bylaw;

AND THAT Bylaw No. 11854 being amendment No. 6 to Revitalization Tax Exemption Bylaw No. 9561 be forwarded for reading consideration.

Purpose:

To make minor updates to the Revitalization Tax Exemption Bylaw No. 9561 to reduce the number of minor amendments to revitalization agreements in the future.

Background:

The Revitalization Tax Exemption (RTE) program provides 10-year tax exemptions for projects that meet key City objectives related to rental housing and downtown revitalization. Over the last five years, the RTE program has had considerable uptake from the development community with roughly 25 applications submitted over this time.

Through the RTE application process, the proponent is required to submit a range of project information to ensure the application meets the eligibility criteria. Generally, applications are submitted after the project has an approved development permit, ensuring core project details are established, thereby reducing the likelihood that projects with approved RTE Agreements are not constructed. The RTE agreement specifies the conditions that must be met by the applicant for the tax exemption to be provided by the City. The RTE Agreement is then presented to Council for consideration before it is executed.

Over the last year, a handful of RTE projects have had minor shifts in their construction and occupancy schedule. For larger rental and mixed-use projects, shifts in the construction schedule and timelines are common. However, based on the way the City's RTE Bylaw and agreement template are currently configured, delays in project schedules often trigger changes to the RTE Agreement. To account for these changes and to ensure the projects receive the Council approved ten-year tax exemption, staff are currently required to bring forward the agreements to council for minor amendments. These amendments require additional time on the part of staff and council with limited benefit to the community, as the projects are still receiving the 10-year exemption based on the same criteria that Council originally approved.

Staff has identified several minor updates to the RTE Bylaw agreement template that will allow for greater flexibility on the term of exemption and eliminate the need for minor amendments to individual tax exemption agreements in the future. In addition, the RTE Bylaw updates address some minor issues that were identified in consultation with BC Assessment after recent shifts in the provincial policy on tax exemptions. In conclusion, the proposed bylaw updates maintain the core direction of the RTE program, while reducing low value amendments in the future.

Internal Circulation:

Deputy City Clerk
Director, Financial Services
Revenue Supervisor, Revenue
Manager, Urban Planning
Divisional Director, Community Planning & Strategic Investments
Department Manager, Policy & Planning
Manager, Long Range Policy Planning

Legal/Statutory Authority:

Community Charter, Division, Section 226

Existing Policy:

Official Community Plan Bylaw No. 10500

Objective 5.9 – support the creation of affordable and safe rental, non-market and/or special needs housing.

Policy 5.1.3 Rutland & Downtown Revitalization Tax Exemption Program. Provide a revitalization tax exemption for the municipal portion of the annual taxes on improvements for development within the City Centre and Rutland Town Centre as per Revitalization Tax Exemption Bylaw No. 9561

Approved for inclusion:



J. Moore, Manager Long Range Policy & Planning