

# REPORT TO COUNCIL



**Date:** August 8, 2016

**RIM No.** 0940-00

**To:** City Manager

**From:** Community Planning Department (AC)

**Application:** RTE15-0003

**Owner:** Davara Holding Ltd

**Address:** 305 Homer Road

**Applicant:** Davara Holding Ltd

**Subject:** Revitalization Tax Exemption

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## 1.0 Recommendation

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with Davara Holding Ltd for Lot 1, Section 27, Township 26, ODYD, Plan KAP18004, located on 305 Homer Road, Kelowna, BC, in the form attached to the report from Community Planning dated August 8, 2016;

AND THAT the Mayor and City Clerk be authorized to execute the Revitalization Tax Exemption Agreement.

## 2.0 Purpose

To enter into a 10 year Revitalization Tax Exemption Agreement with Davara Holding Ltd in accordance with Revitalization Tax Exemption Program Bylaw No. 9561.

## 3.0 Background

The subject property is designated as MRL - Multiple Unit Residential (Low Density) in the Official Community Plan (OCP) and is zoned RM3 - Low Density Multiple Housing. The Building Permit was submitted on March 24, 2016 and was issued on May 13<sup>th</sup>, 2016. Occupancy for the subject property is expected prior to spring 2017. In addition, the Development Permit and Development Variance Permit for the nine unit, three bedroom, rental townhome was approved April 26, 2016 by Council under DP15-0221/DVP15-0222.

The property is in the Purpose-Built Rental Housing Projects category as described by the Revitalization Tax Exemption Program Bylaw No. 9561. In this category, projects will be considered for a tax incentive as long as:

1. The vacancy rate that is at or below 3%
2. The subject property has a Housing Agreement (for up to 10 years)
3. Are in compliance with the OCP Future Land Use designation as at May 30, 2011.

Over the last few years, rental housing, especially three bedroom units, have been in great demand. According to CMHC at the end of 2015 the total vacancy rate in the Kelowna CMA was

0.7% compared to 1.0% the year prior. In the Rutland zone the vacancy rate dropped even more from 0.8% to 0.1%. Therefore, the vacancy rate requirement is met. The Housing Agreement (for up to 10 years) requirement is met and was approved by Council on May 2<sup>nd</sup>, 2016. Lastly, the subject property is in compliance with the OCP Future Land Use designation of MRL - Multiple Unit Residential (Low Density).

Therefore, with all requirements met the subject property is qualified to receive 100% of the Revitalization Amount on the parcel. The exemption will be valid for the tax years 2018-2027.

**4.0 Internal Circulation:**

Revenue Manager, Financial Services

**5.0 Existing Policy:**

Revitalization Tax Exemption Program Bylaw No. 9561

**6.0 Application Chronology:**

Date of Application Received: September 18, 2015

**Report prepared by:**

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Adam Cseke, Planner  
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Jenna Ratzlaff, Planner

**Approved for Inclusion:**



Terry Barton, Urban Planning Manager

**Attachments:**

Draft Revitalization Tax Exemption Agreement  
Applicant's Rationale

Cc: Lynn Walter and Matt Friesen, Revenue Branch