

REPORT TO COUNCIL



Date: September 12th, 2016
RIM No. 0505-88
To: City Manager
From: Community Planning Department (JR)
Application: RTE16-0004 **Owner:** Unico One Development Ltd.
Address: 125 Dundas Road **Applicant:** Unico One Development Ltd.
Subject: Revitalization Tax Exemption
Existing OCP Designation: MRM - Multiple Unit Residential (Medium Density)
Existing Zone: RM5 - Medium Density Multiple Housing

1.0 Recommendation

That Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with Unico One Development Ltd. for Lot 1, Section 22, Township 26, ODYD, Plan EPP51775, located on 125 Dundas Road, Kelowna, BC, in the form attached to the report from Community Planning dated September 12th, 2016:

AND FURTHER 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 Unico One Development in accordance with Revitalization Tax Exemption Program Bylaw No. 9561.

3.0 Background

The subject property is designated as MRM - Multiple Unit Residential (Medium Density) in the Official Community Plan (OCP) and is zoned RM5 - Medium Density Multiple Housing. The Building Permit was submitted on April 1, 2016 and has been issued. Occupancy for the subject property is proposed to occur Fall 2017. In addition, the Development Permit and Development Variance Permit for the 23 rental apartments was approved February 2, 2016 by Council under DP15-0197/DVP15-0198.

The project 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 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 9th, 2016. Lastly, the subject property is in compliance with the OCP Future Land Use designation of MRM - Multiple Unit Residential (Medium Density).

With all requirements met the property qualifies to receive 100% of the Revitalization Amount on the parcel. The exemption will be valid for the tax years 2018-2027.

4.0 Current Development Policies

- Revitalization Tax Exemption Program Bylaw No. 9561

5.0 Technical Comments

- N/A

6.0 Application Chronology:

Date of Application Received: July 25, 2016

Report prepared by:

Jenna Ratzlaff, Planner
&

Adam Cseke, Planner

Approved for Inclusion:



Ryan Smith, Community Planning Department Manager

Attachments:

Draft Revitalization Tax Exemption Agreement