

# CITY OF KELOWNA

## Revitalization Tax Exemption Program Bylaw No. 12561

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WHEREAS the *Community Charter*, Section 226, allows Council to establish by bylaw a revitalization tax exemption program to provide tax exemptions for land or improvements, or both;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the City of Kelowna in order to reinforce and promote the prominence of urban centres within Kelowna and foster a community with diverse housing options;

AND WHEREAS Council wishes that the following objectives of the program be known:

- To incentivize new commercial developments within urban centres to sustain and enhance the existing commercial centres, reduce greenhouse gas emissions associated with transportation, promote healthy and pedestrian-oriented lifestyles, increase the attractiveness of these locations to existing and potential residents, and to promote a high standard of urban design within urban centres;
- To incentivize construction of new Purpose-Built Rental Housing within Kelowna's Core Area and identified Village Centres;

AND WHEREAS Council intends for this program to accomplish the objectives by

- Increasing the total amount of commercial floor area and supporting new business growth within identified revitalization tax exemption areas; and
- Adding net new purpose built rental apartment units to achieve an increase in the rental vacancy rate;

AND WHEREAS Council has included within this Bylaw a description of the reasons for and the objectives of the program and a description of how the program is intended to accomplish the objectives, as required by the *Community Charter*;

AND WHEREAS the *Community Charter*, Section 154(1), empowers Council to delegate by bylaw its powers, duties and functions, including those specifically established by an enactment, to the extent provided, to an officer or employee of the municipality;

AND WHEREAS Council wishes to delegate to an officer or employee certain powers, duties and functions;

AND WHEREAS Council wishes to specify which officer or employee may act as a signatory on behalf of the City of Kelowna as it relates to a Revitalization Tax Exemption Agreement;

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as "Revitalization Tax Exemption Program Bylaw No. 12561".
2. There is hereby established a revitalization tax exemption program pursuant to the provisions of section 226 of the *Community Charter*.
3. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this bylaw, in the relevant Agreement between the City and the Owner pursuant to this bylaw, and in the Tax Exemption Certificate in relation to a particular Parcel.

#### 4. Definitions

4.1. In this bylaw:

"Actual Value" will have the same meaning as set out in the *Assessment Act*.

“Agreement” means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the City, substantially in the format of and with the content of Schedule “B”.

“City” means the City of Kelowna.

“Council” means the Council of the City of Kelowna.

“Department Manager, Development Planning” means the person appointed as such and includes their selected designate(s).

“Divisional Director, Financial Services” means the person appointed by Council as such and includes their lawful designate(s).

“Divisional Director, Planning & Development Services” means the person appointed as such and includes their lawful designate(s).

“Improvement” will have the same meaning as set out in the *Assessment Act*.

“Parcel” means a legal parcel, of which at least 50% of the parcel’s land area is within one of the Revitalization Areas, upon which an owner proposes a Project.

“Project” means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw and is approved by Council or its delegate.

“Property” means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Agreement.

“Purpose-Built Rental Housing” means a project with five or more Dwelling Units that are intended to be used for rental housing. Purpose-built rental housing meets an identified need for housing in the City and does not include buildings that are stratified, except those stratified buildings that are subject to operating agreements with the Provincial Rental Housing Corporation.

“Revitalization Amount” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the property resulting from the construction or alterations as outlined in Section 6 of this bylaw.

“Revitalization Area” means one of the areas outlined on Schedule “A”.

“Tax Exemption” means a revitalization tax exemption pursuant to this bylaw.

“Tax Exemption Certificate” means a revitalization tax exemption certificate issued by the City pursuant to this bylaw, the relevant Agreement, and the provisions of section 226 of the *Community Charter*, in the form of Schedule “C”.

## 5. Eligibility

### 5.1. For a Project to be eligible for a Tax Exemption:

- 5.1.1. the Project must involve construction that results in
  - (a) floor space being added to an existing building,
  - (b) a new building, or
  - (c) a renovation of existing floor space;
- 5.1.2. the construction value of a Project, as determined based on the building permit(s) issued, must be \$300,000.00 or greater;
- 5.1.3. the land use for the Project must be one of the uses permitted in the applicable zone for the Parcel, as set out in City of Kelowna Zoning Bylaw No. 12375, and must be consistent with the future land use designation for the Parcel, as set out in the Kelowna 2040 – Official Community Plan Bylaw No. 12300, and the Project must meet all other applicable City policies and bylaws;

- 5.1.4. the owner of the Parcel must enter into an Agreement with the City; and
- 5.1.5. the Property must be located in a Revitalization Area shown on Schedule "A".
- 5.2. The following is not eligible for a Tax Exemption:
  - 5.2.1. A Parcel already receiving a Tax Exemption;
  - 5.2.2. A Project involving a Parcel with unpaid property taxes in arrears;
  - 5.2.3. A Project involving a proposal to alter a building listed on the City of Kelowna Heritage Register;
  - 5.2.4. A Project that has been issued any type of Occupancy Permit in accordance with City of Kelowna Building Bylaw No. 7245; or
  - 5.2.5. A Parcel for which the Property's assessed value of improvement has been reduced below the amount assessed in the calendar year prior to construction or alteration.

## **6. Extent, Amounts, and Maximum Term of Tax Exemptions Available**

- 6.1. The amount of an annual Tax Exemption will be equal to:
  - 6.1.1. For "Tax Incentive Area 1" as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
  - 6.1.2. For "Tax Incentive Area 2" as shown in Schedule "A",
    - (a) 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a minimum floor area of 3,716 m<sup>2</sup> (40,000 sq. ft.); or
    - (b) 50% of Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a floor area of less than 3,716 m<sup>2</sup> (40,000 sq. ft.).
  - 6.1.3. For "Tax Incentive Area 3" as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
  - 6.1.4. For Purpose-Built Rental Housing Projects within the Core Area, Glenmore Valley Village Centre and University South Village Centre as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses.
- 6.2. The amount of an annual Tax Exemption will not include an exemption from any local service tax in any case.
- 6.3. The maximum term of a Tax Exemption will be 10 years. The Tax Exemption is transferable to subsequent property owners within the term of the agreement.
- 6.4. If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the certificate is cancelled, the owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any exemption received after the date of the cancellation.
- 6.5. The maximum Tax Exemption authorized under this Bylaw must not exceed the Revitalization Amount on the Property between:
  - 6.5.1. The calendar year before the construction or alteration began, as outlined under Section 5 of this bylaw; and
  - 6.5.2. The calendar year in which the construction or alteration, as outlined under Section 5 of this bylaw, is completed.

## **7. Making Application**

- 7.1. For a Parcel to be considered for a Tax Exemption, a complete application must be submitted.
- 7.2. An application to request a Tax Exemption is required to be submitted before the issuance of a Building Permit for a Project in accordance with City of Kelowna Building Bylaw No. 7245.
- 7.3. The information listed below is required for an application made under this bylaw:

- 7.3.1. Application Form acceptable to the Department Manager, Development Planning;
  - 7.3.2. Owner's Authorization Form (if required);
  - 7.3.3. A title search dated within 30 days of submitting the application;
  - 7.3.4. Covering letter with a brief description of the Project, including an estimate of the construction value of the project, details of the floor area of the project by land use type(s), the number of residential units (if applicable), and an estimated date of obtaining an occupancy permit;
  - 7.3.5. Signed Agreement (Schedule B) completed with project specific details in executable form;
  - 7.3.6. Application fee, payable to the City, in accordance with the Development Application Fees Bylaw No. 10560; and
  - 7.3.7. An application for a Parcel that does not have an approved Development Permit must include a concept plan with information on the proposed use of the Parcel, details on the floor area, the number of residential units (if applicable), and conceptual renders of the form and character.
- 7.4. Notwithstanding Section 7.2 of this Bylaw, an application for a Tax Exemption may be submitted after building permit issuance in the event that extenuating circumstances exist. All other provisions of this bylaw, including Section 5.2.4, still apply. Such applications must be accompanied by a letter to the Divisional Director, Planning & Development Services, detailing and substantiating the extenuating circumstances that prevented application submission prior to a building permit. Such applications will be presented to Council for consideration.

## 8. Other Provisions

- 8.1. A Project which falls under Section 6.1.4 which does not have zoning for rental-only tenure must register a restrictive covenant on the title of the Property.
- 8.1.1. A restrictive covenant is not required for a Project with an operating agreement of 15 years or greater in length with the Provincial Rental Housing Corporation (BC Housing).
  - 8.1.2. A restrictive covenant will limit residential uses to long-term (30 days or greater) rental only tenure, prohibit stratification, prohibit individual sale, and prohibit short-term rentals.
  - 8.1.3. A restrictive covenant will have effect for the same duration as the Agreement.
    - (a) Except for a Project which includes a single-detached or semi-detached dwelling unit where a restrictive covenant will have effect for 15 years.
- 8.2. For a Tax Exemption to take effect, the owner must provide the Divisional Director, Planning & Development Services or their designate, with the final occupancy permit for the Project. For the Tax Exemption to take effect in the calendar year following construction completion, the notice must be provided by the owner by September 30 in the year the occupancy permit is issued.

## 9. Delegation

- 9.1. Provided that all necessary prerequisites of the *Community Charter*, the *Local Government Act*, other applicable federal and provincial enactments, City bylaws, and City policies have been met, the Divisional Director, Planning & Development Services is assigned the authority within the parameters established by this bylaw to approve, execute and amend an Agreement as required for a Project that results in a Tax Exemption Amount of up to a maximum tax value of 0.175% of the following year's Property Value Tax Revenue as identified in Schedule 'A' of the City of Kelowna Five-Year Financial Plan Bylaw, as amended from time to time.
- 9.2. The Divisional Director, Financial Services is designated the municipal officer for the purpose of section 226(13) of the *Community Charter* and the issuance of Tax Exemption Certificates.
10. Council will be presented with a biennial report with an update on how the program is achieving its objectives, a summary of the total tax impact of the program, and recommendations for any changes that are necessary to continue to meet the Bylaw's objectives or adapt the program to Council Priorities or other community needs.

11. The schedules attached to this bylaw form part of this bylaw.
12. City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, and all amendments thereto, are hereby repealed.
13. This bylaw comes into force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this

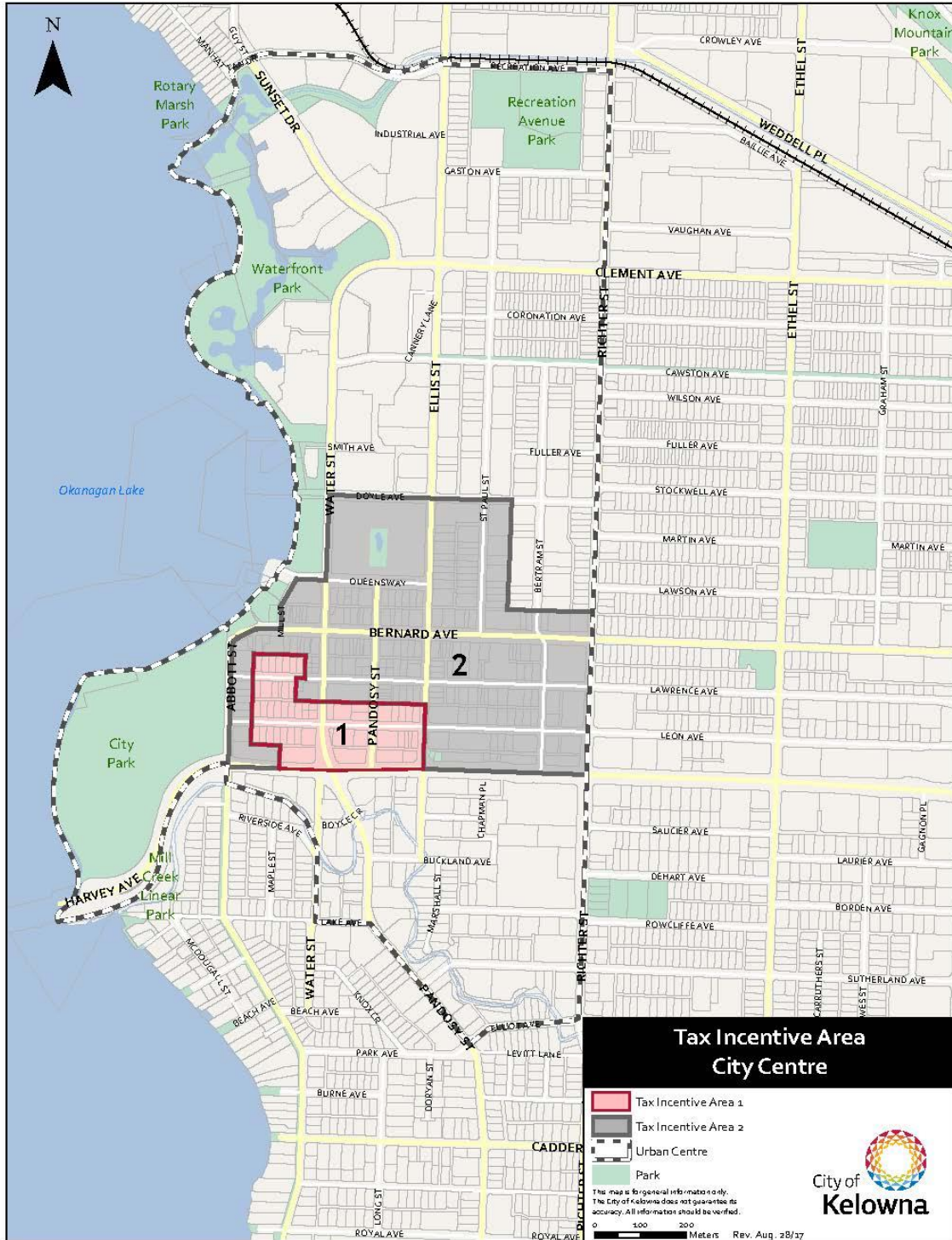
Adopted by the Municipal Council of the City of Kelowna this

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

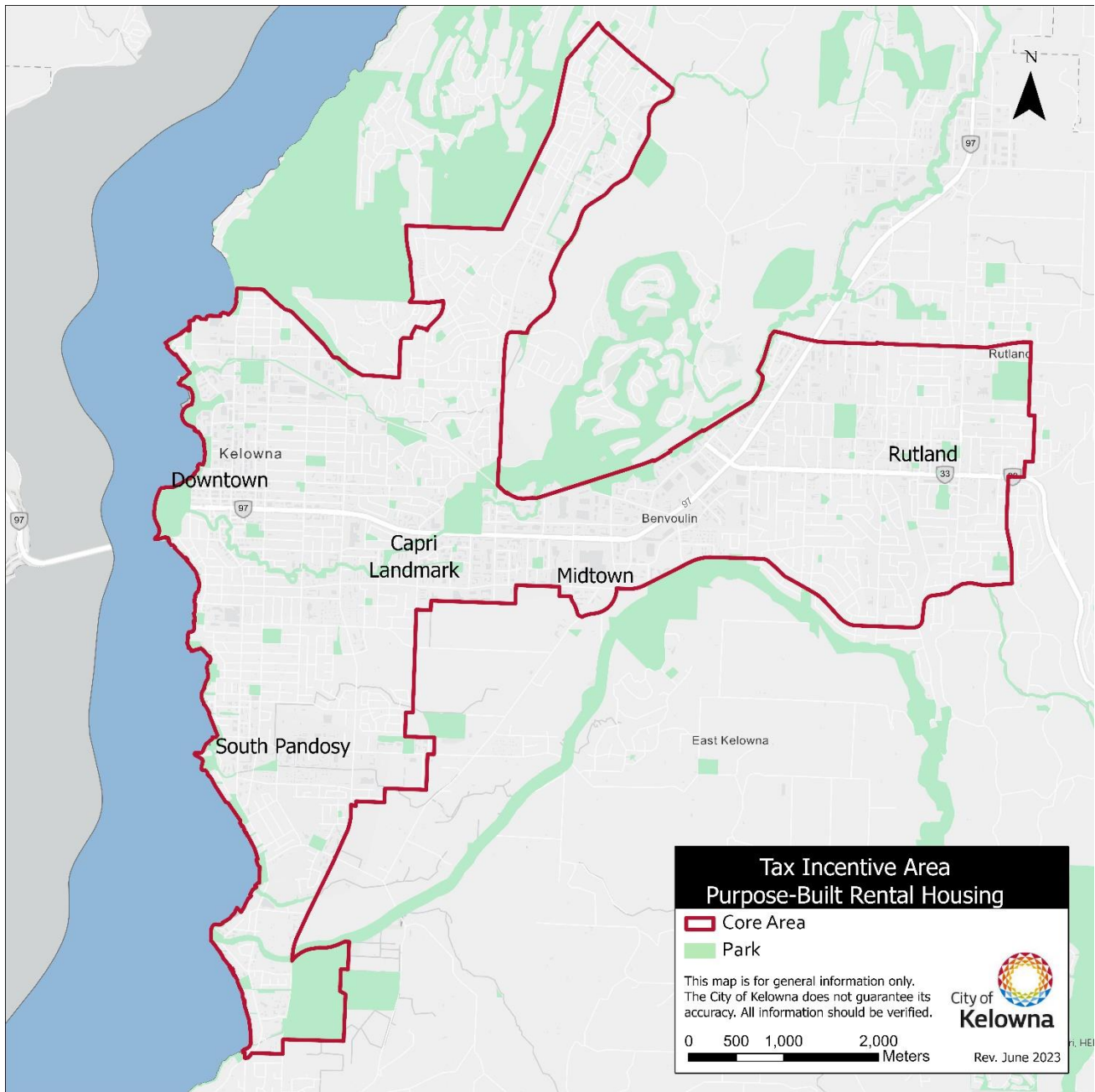
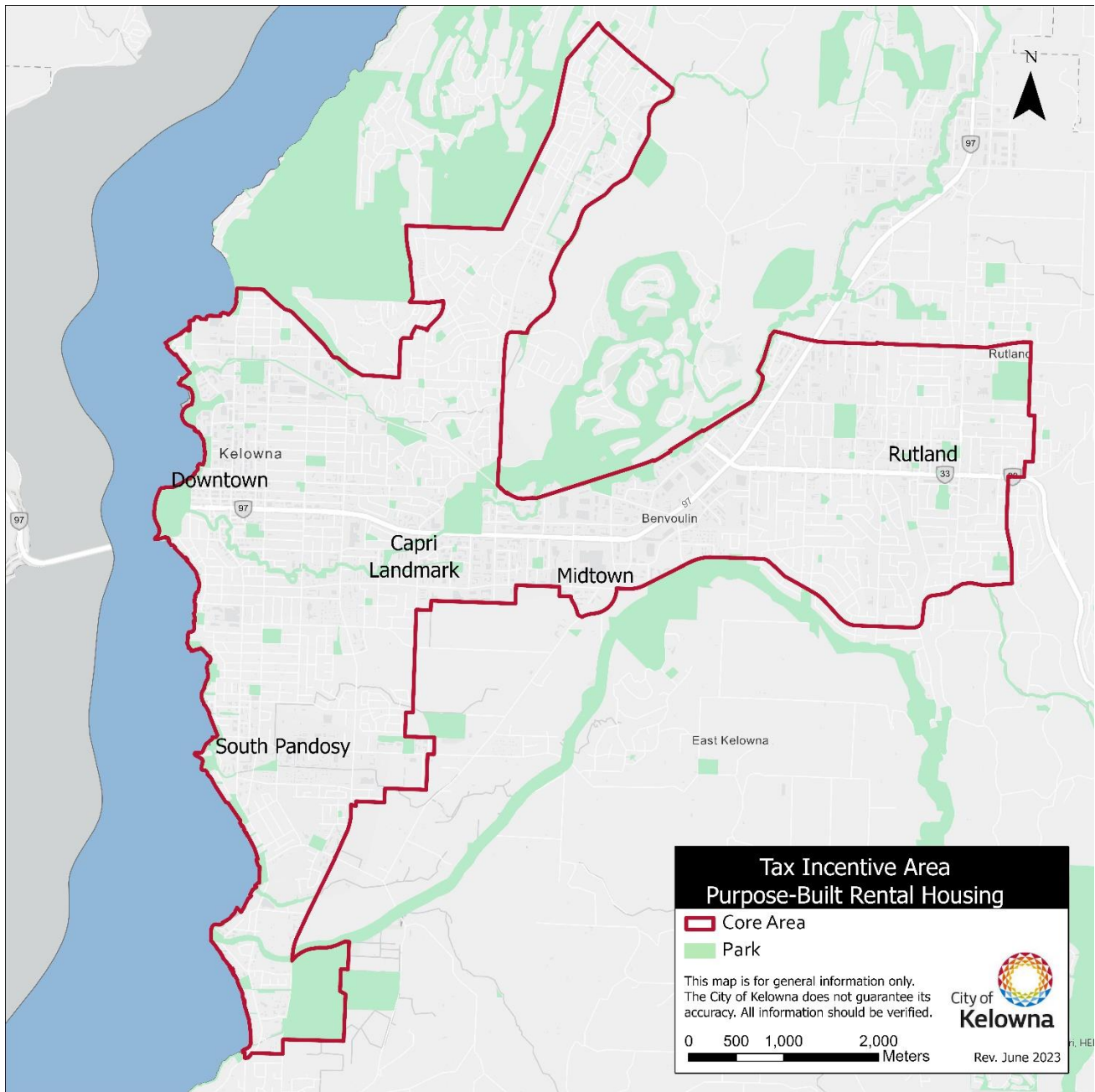
# SCHEDULE "A"

## Revitalization Areas

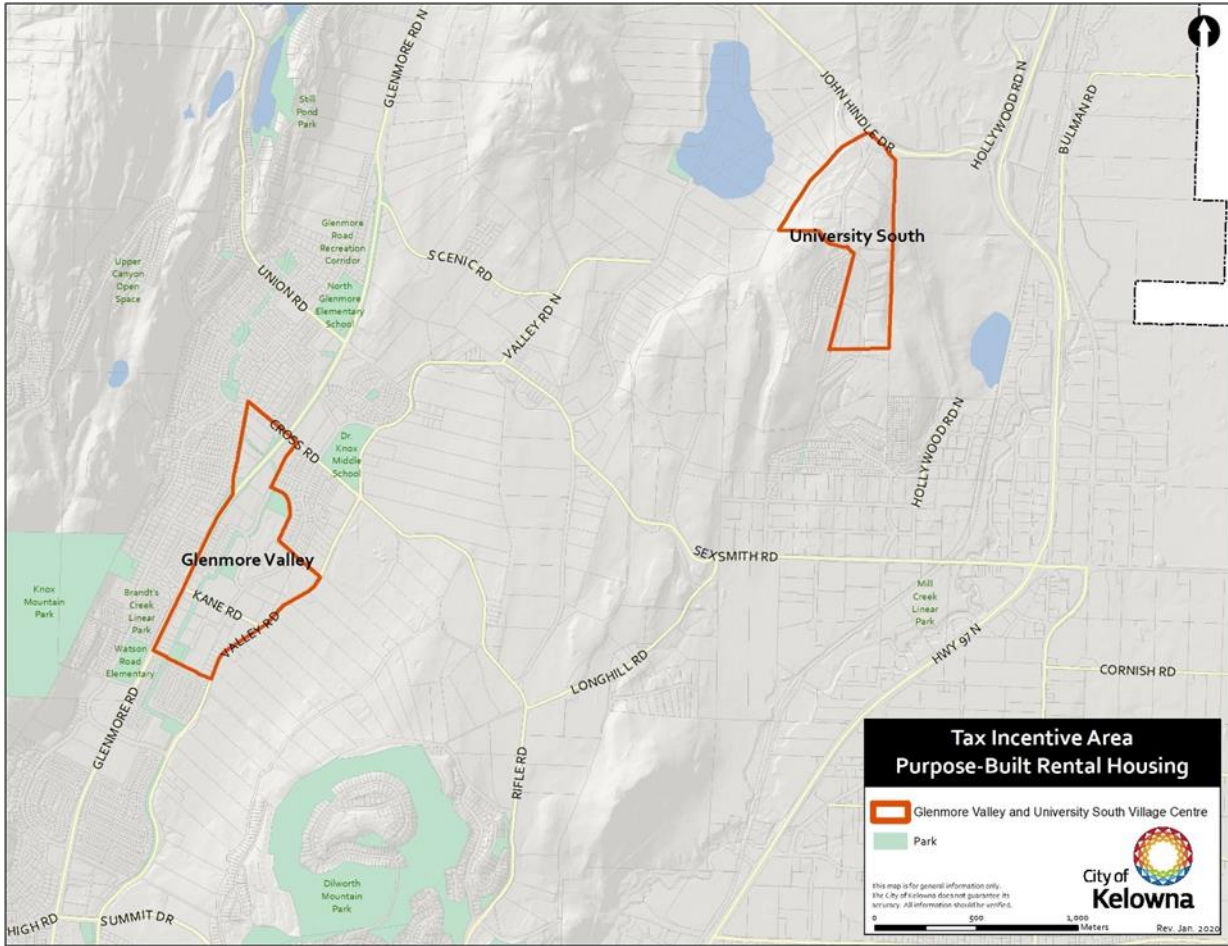












Map labels include: GLENMORE RD N, UNION RD, SCENIC RD, VALLEY RD N, JOHN HINDLE DR, HOLLYWOOD RD N, BULLMAN RD, University South, GROSS RD, Dr. Kinoy Middle School, KANE RD, VALLEY RD, SEKSMITH RD, LONGHILL RD, RIFLE RD, MILL CREEK LINEAR PARK, HWY 97 N, CORNISH RD, GLENMORE RD, BRANDT'S CREEK LINEAR PARK, WATSON ROAD ELEMENTARY, GLENMORE RD, KINOS MOUNTAIN PARK, UPPER CANYON OPEN SPACE, STILL POND PARK, GLENMORE ROAD RECREATION CORRIDOR, NORTH GLENMORE ELEMENTARY SCHOOL, DILWORTH MOUNTAIN PARK, HIGH RD, SUMMIT DR.

**SCHEDULE "B"**

**Revitalization Tax Exemption Agreement**

THIS AGREEMENT dated for reference the \_\_\_ day of \_\_\_\_\_, 20\_\_ is

**BETWEEN:**

*[Company Name]*  
*[Company Address 1]*  
*[Company Address 2]*  
*[Company Address 3]*

(the "Owner")

**AND:**

**CITY OF KELOWNA**  
1435 Water Street,  
Kelowna, B.C.  
V1Y 1J4

(the "City")

**GIVEN THAT:**

- A. The Owner is the registered owner in fee simple of lands in the City of Kelowna at *[insert civic address]* legally described as *[insert legal description]* (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the Revitalization Tax Exemption Program Bylaw No. 12561 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new improvements *[or alter existing improvements]* on the Parcel as described in Appendix "A" attached to and forming part of this agreement (the "Project") and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Owner and the City covenant and agree each with the other as follows:

- 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 outlined in the "City of Kelowna Revitalization Tax Exemption Program Bylaw No. 12561" (the "Bylaw"). Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will include the following:
  - a. *[insert project details (type, size, number of units, etc)]:*
- 2. **Operation and Maintenance of the Project** – throughout the term of this agreement, the Owner shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3. **Revitalization Amount** – In this agreement, “**Revitalization Amount**” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the Parcel resulting from the construction of the Project as described in section 1;
4. **Revitalization Tax Exemption** – subject to fulfilment of the conditions set out in this agreement and in the Bylaw, the City shall issue a revitalization tax exemption certificate (the “Tax Exemption Certificate”) to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the Revitalization Amount on the Parcel (the “Tax Exemption”) for the calendar year(s) set out in the Tax Exemption Certificate .
5. **Conditions** – the following conditions shall be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Project:
  - a. The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached hereto as Appendix “A”;
  - b. *[If necessary]* The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto; and
  - c. The Owner must submit a copy of the Occupancy Permit and Title Certificate dated within 30 days to the City of Kelowna within 48 months from the date the Agreement is executed.
6. **Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be equal to *[choose appropriate option from below based on parcel location, insert applicable wording, and delete remaining]*:
  - a) For “Tax Incentive Area 1”, 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
  - b) For “Tax Incentive Area 2,”
    - (a) 100% of the Revitalization Amount on the parcel, for a project with a minimum floor area of 3,716 m<sup>2</sup> (40,000 sq. ft.) or greater which can be attributed to a commercial land use; or
    - (b) 50% of Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a floor area of less than 3,716 m<sup>2</sup> (40,000 sq. ft.).
  - c) For “Tax Incentive Area 3,” 100% of the Revitalization Amount on the Parcel which can be attributed to a commercial land use.
  - d) For Purpose-Built Rental Housing Projects within the Core Area, Glenmore Valley Village Centre and University South Village Centre as identified in Schedule A, 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses.
7. **Term of Tax Exemption** – provided the requirements of this agreement, and of the Bylaw, are met the Tax Exemption shall be for 10 years after the BC Assessment Authority validates the Tax Exemption Certificate issued by the City of Kelowna’s Revenue Branch.
8. **Compliance with Laws** – the Owner shall construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Parcel and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

9. **Effect of Stratification** – if the Owner stratifies the Parcel 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; 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;

so long as, if the Project is the subject of an operating agreement between the Owner and the Provincial Rental Housing Corporation, the Owner is in compliance with the operating agreement. The Owner agrees to provide written confirmation to the City regarding the Owner's compliance with the said operating agreement, satisfactory to the City, upon the City's reasonable inquiry.

10. **Termination of the agreement** - the revitalization tax exemption agreement will be valid for 48 months from the date the agreement is executed. If the conditions for issuance of a Tax Exemption Certificate have not been met during this term, the owner may request a renewal term to this agreement or the agreement will be terminated.
11. **Cancellation** – the City may in its sole discretion cancel the Tax Exemption Certificate:
- a. on the written request of the Owner;
  - b. effective immediately upon delivery of a notice of cancellation to the Owner if at any time any of the conditions in the Tax Exemption Certificate are not met; or
  - c. If the Owner is subject to an operating agreement with the Provincial Rental Housing Corporation and is not in compliance with the operating agreement.

If such cancellation occurs, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any Tax Exemption received in respect of a period falling after the date of the cancellation of the Tax Exemption Certificate.

12. **No Refund** – for greater certainty, under no circumstances will the Owner be entitled under 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.
13. **Notices** – any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Parcel, or if sent by prepaid registered mail (Express Post) to such party:
- a. in the case of a notice to the City, at:

THE CITY OF KELOWNA  
1435 Water Street,  
Kelowna, B.C.  
V1Y 1J4  
Attention: Divisional Direction, Planning & Development Services

- b. in the case of a notice to the Owner, at:

*[Insert name and address of owner]*

Attention:  
Phone:  
Email:

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

14. **No Assignment** – the Owner shall not assign its interest in this agreement except to a subsequent owner in fee simple of the Parcel.
15. **Severance** – if any portion of this agreement is held 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.
16. **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.
17. **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.
18. **Waiver** – waiver by the City of a default by the Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
19. **Powers Preserved** – this agreement does not:
  - a. Affect or limit the discretion, rights or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Parcel;
  - b. Affect or limit any enactment relating to the use or subdivision of the Parcel; or
  - c. Relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Parcel and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the City.
20. **Reference** – every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
21. **Enurement** – this agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
22. The maximum Revitalization Tax Exemption authorized by this agreement must not exceed the Revitalization Amount on the Property between:
  - a. the calendar year before the construction or alteration began, as outlined under Section 1 of this agreement; and
  - a. the calendar year in which the construction or alteration, as outlined under Section 1 of this agreement, is completed.
23. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

Executed by the CITY OF KELOWNA by  
Its authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Position

Executed by \_\_\_\_\_ by its Authorized signatories:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Position

Appendix "A": Plans and Specifications

Appendix "B": Performance Criteria *[Restrictive Covenant if necessary]*



**SCHEDULE "C"**  
**Tax Exemption Certificate**

<b>Revitalization Tax Exemption Agreement No.</b>	
<b>Building Permit No.</b>	
<b>Date of Issuance by Revenue Department</b>	

In accordance with the Revitalization Tax Exemption Program Bylaw No. 12561 (the "Bylaw"), and in accordance with a Revitalization Tax Exemption Agreement dated for reference the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Agreement") entered into between the City of Kelowna (the "City") and \_\_\_\_\_ (the "Owner"), the registered owner(s) of [insert legal description of property] (the "Parcel"):

- A) This certificate certifies that the Parcel is subject to a Revitalization Tax Exemption, for each of the taxation years 20\_\_ to 20\_\_ inclusive, equal to [\[choose one from below and insert applicable wording\]](#):
1. "Tax Incentive Area 1", 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
  
  2. "Tax Incentive Area 2,"
    - a. 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
  
    - b. 75% of the Revitalization Amount for commercial land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued) which can be attributed to a residential land use,
  
    - c. and/or 50% of the Revitalization Amount for commercial land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued) which can be attributed to a commercial land use;
  
  3. "Tax Incentive Area 3," 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
  
  4. Purpose-Built Rental Housing Project, 100% of the Revitalization Amount for residential land uses attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued).

- B) Any construction of a new improvement or alteration of an existing improvement, on the Parcel described above, undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration;
- C) The maximum Revitalization Tax Exemption authorized must not exceed the increase in the assessed value of improvements on the property resulting from the construction or alterations attributed to Building Permit No \_\_\_\_\_ between 20\_\_ (the calendar year before the commencement of construction of the project) and 20\_\_ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
- D) The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.
- E) The Revitalization Tax Exemption is provided under the following conditions:
1. The Owner does not breach any term, condition or provision of, and performs all obligations set out in, the Agreement and the Bylaw;
  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 Exempt Use (as defined in the Agreement) of the Project is not discontinued.
- F) If the Owner is subject to an operating agreement with the Provincial Rental Housing Corporation, the owner must comply with the terms of the operating agreement with the Provincial Rental Housing Corporation.
- G) If any of these conditions are not met, the Council of the City of Kelowna may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, the Owner of the Parcel, or a successor in title to the Owner as the case may be, shall remit to the City an amount equal to the value of the exemption received after the date of the cancellation of the certificate.