

Schedule A – Proposed Text Amendment – Program Updates

No.	Section	Current Wording	Proposed Wording	Reason for Change
1.	Preamble	AND WHEREAS Council wishes that the following objectives of the program must be known: <ul style="list-style-type: none">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 wishes that the following objectives of the program must be known: <ul style="list-style-type: none">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;<u>To incentivize construction of new Purpose-Built Rental Housing, Non-Profit Rental Housing and Co-Operative Housing within Kelowna’s Permanent Growth Boundary;</u>	To expand the objectives of the program to recognize the objective of incentivizing housing within the entire Permanent Growth Boundary.
2.	Section 4 – Definitions, 4.1	“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”.	“Agreement” means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the City.	To delete the reference to Schedule B.
3.	Section 4 – Definitions, 4.1	N/A	“Co-operative Housing” means a project with five or more Dwelling Units that is owned by a legal association incorporated under the <i>Cooperative Association Act</i> .	To add a definition for Co-Operative Housing.
4.	Section 4 – Definitions, 4.1	N/A	“Non-Profit Rental Housing” means a project with five or more Dwelling Units that is owned and operated by a non-profit housing provider, local government, or the Provincial Rental Housing Corporation (BC Housing).	To add a definition for Non-Profit Rental Housing.
5.	Section 4 – Definitions, 4.1	“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.	“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 does not include buildings that are stratified.	To amend the definition of Purpose-Built Rental Housing to recognize that the requirement for the Rental Only subzone does not allow stratified dwelling units to receive tax exemptions.
6.	Section 4 – Definitions, 4.1	N/A	“Land” will have the same meaning as set out in the <i>Assessment Act</i> .	To add a definition for land.
7.	Section 4 – Definitions, 4.1	N/A	“Land Amount” means the municipal portion of property tax calculated in relation to the assessed value of the land on the property.	To add a definition for property tax based on land value.

No.	Section	Current Wording	Proposed Wording	Reason for Change
8.	Section 5 – Eligibility, 5.1, 5.1.5	5.1.5 the property must be located in a Revitalization Area shown on Schedule “A”.	5.1.5 the property must be located <u>within the Permanent Growth Boundary as shown on Map 3.1 of Kelowna 2040 - Official Community Plan Bylaw No. 12300, as amended from time to time;</u>	To expand the eligibility boundary to the entire Permanent Growth Boundary.
9.	Section 6 – Extent, Amounts, and Maximum Term of Tax Exemptions Available, 6.1, 6.1.4	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.	6.1.4 For Purpose-Built Rental Housing Projects <u>and Co-Operative Housing Projects</u> , 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses.	To add Co-Operative Housing and to remove the boundary restriction for Purpose-Built Rental Housing.
10.	Section 6 – Extent, Amounts, and Maximum Term of Tax Exemptions Available, 6.1	N/A	6.1.5 For Non-Profit Rental Housing projects, 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses and 100% of the Land Amount.	To add a tax exemption amount for non-profit rental housing projects that includes the Revitalization Amount and Land Amount.
11.	Section 7 – Making Application, 7.3	7.3.5 Signed Agreement (Schedule B) completed with project specific details in executable form;	7.3.5 Signed Agreement completed with project specific details in executable form;	To remove a reference to Schedule B.
12.	Section 8 – Other Provisions	8.1 A Project which falls under Section 6.1.4 is required to have zoning for rental only tenure for the Property.	8.1 A Purpose-Built Rental Housing project which falls under Section 6.1.4 or Non-Profit Rental Housing which falls under Section 6.1.5, is required to have zoning for rental-only tenure for the property.	To clarify that Purpose-Built Rental Housing and Non-Profit Rental Housing projects require rental-only tenure zoning, but Co-Operative Housing projects do not.
13.	Section 8 – Other Provisions	8.3 Notwithstanding section 8.1 of this bylaw, an Agreement that was approved prior to May 27, 2024 may be amended and executed provided that the Agreement complies with all other provisions of this bylaw. This transitional provision remains in effect until December 31, 2024.	N/A	To remove grandfathering provisions that are no longer in effect.
14.	Schedule B	See Schedule B .	N/A	To delete Schedule B and renumber subsequent sections so that the that the agreement template can be edited without a bylaw amendment.

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 [for 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. 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 m² (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 m² (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~~