

REPORT TO COUNCIL



Date: May 29, 2017

RIM No. 0940-00

To: City Manager

From: Community Planning Department (EW)

Application: RTE16-0008

Owner: CG Two – Mission Group
Homes Ltd., Inc.No. BC1017482

Address: 1775 Chapman Pl

Applicant: CG Two – Mission Group
Homes Ltd.

Subject: Revitalization Tax Agreement

Existing OCP Designation: MRM – Multiple Unit Residential (Medium Density)

Existing Zone: CD22 – Central Green Comprehensive Development Zone

1.0 Recommendation

THAT Council approves the City entering into a Revitalization Tax Exemption Agreement (Schedule "A") with CG Two – Mission Group Homes Ltd. for Lot 3 District Lot 139 ODYD Plan KAP92715 located at 1775 Chapman Pl, Kelowna, BC in the form attached to the Report from the Community Planning Department dated May 8, 2017;

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

2.0 Purpose

To enter into a Revitalization Tax Exemption Agreement with CG Two – Mission Group Homes Ltd. on the subject property.

3.0 Proposal

The subject property is designated as MRM – Multiple Density Unit Residential (Medium Density) in the Official Community Plan (OCP) and is zoned CD22 – Central Green Comprehensive Development. The Development Variance Permit and Development Permit for 'Building G' a 4-storey 87-unit apartment building was approved by Council on May 16, 2016 under DP16-0060. The Building Permit Application for the building was submitted on April 5, 2016 for a Total Value of Building Construction of \$13,700,000.00.

The project is in the 'Tax Incentive Area 3' as described by the Revitalization Tax Exemption Program Bylaw No. 9561. A tax exemption will be considered within Area 3 for the first 200,000 sq.ft of development to

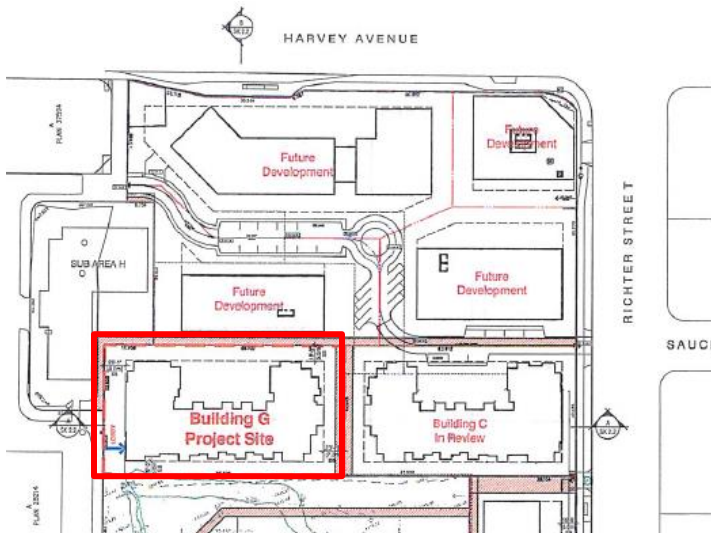
receive a building permit.¹ 'Tax Incentive Area 3' amounts to 50% of the Residential portion of Revitalization Amount on the parcel, for a project with a minimum floor area of 3,7156 m² as long as:

1. The Project involves construction that results in a new building;
2. The construction value based on the building permit(s) issued is \$50,000.00 or greater;
3. The Project is consistent with the land use for the area as set out in Zoning Bylaw No. 8000 and Official Community Plan Bylaw No. 10500;
4. The owner of the Parcels enters into an agreement with the City;
5. The form and character of the Project is consistent with the applicable Development Permit Area Design Guidelines contained within Chapter 14 of Official Community Plan Bylaw No. 10500
6. The property is located in a Revitalization Area as shown on Schedule 'A' of Revitalization Tax Exemption Program Bylaw No. 9561.

With all requirements met the subject property qualifies to receive 50% of the Residential portion of Revitalization Amount on the parcel. Based on the 2016 Municipal Tax Rate for a Residential Property Class (3.711) and the total value of building construction estimated at \$13,700,000.00², the tax exemption would be approximately \$25,420 per year. For a period of 10 years from 2019-2028, the total exempt amount would be approximately \$254,203.

3.1 Development Permit DP16-0060

Site Plan:



¹ If this RTE application (RTE16-0008) for 1775 Chapman Pl is approved by Council, Tax Incentive Area 3 would be removed from the Tax Exemption Program as the 200,000 sq.ft capacity has been reached.

² This estimate was provided by the applicant as part of the Building Permit application.

Elevation:



4.0 Current Development Policies

Revitalization Tax Exemption Program Bylaw No. 9561.

5.0 Technical Comments

None.

6.0 Application Chronology

Date of Application Received: October 18, 2016

Report prepared by: Emily Williamson, Planner I
Reviewed by: Terry Barton, Urban Planning Manager
Approved for Inclusion: Ryan Smith, Community Planning Department Manager

Attachments:

Schedule "A" – Revitalization Tax Exemption Agreement
Schedule "B" – Tax Exemption Certificate