



CITY OF KELOWNA

COUNCIL POLICY MANUAL

POLICY:
PAGE: 1 of 2
APPROVAL DATE:
RESOLUTION #:
REPLACING #:
DATE OF LAST REVIEW:

SUBJECT: Tax Incentive Program

Consistent with the provisions of the Community Charter, Council supports the creation of a tax incentive program for the revitalization of the Downtown and Rutland Urban Centres according to the following terms:

- 1) Projects eligible for a tax exemption must be located within selected areas of the Downtown and Rutland Town Centres (see attached maps);
- 2) The exemption will only apply to projects two storeys or more in height;
- 3) Projects eligible for a tax exemption must be consistent with OCP Future Land Use designations and applicable City of Kelowna policies and plans;
- 4) Projects eligible for a tax exemption must not involve buildings listed on the City of Kelowna Heritage Register;
- 5) Institutionally-zoned properties currently receiving a municipal tax exemption are not eligible;
- 6) The period of the exemption will be the five years immediately following the year in which the exemption is granted;
- 7) Under the Community Charter, Council will consider renewing the program for a subsequent five years;
- 8) The exemption will apply only to the municipal portion of the tax registered against the assessed value of the improvements on a property and excludes the Local Services Tax.
- 9) Amount of the exemption will be:
 - 100% of the municipal share of the property tax due annually on any project that qualifies for an exemption, for the first developer to apply for a tax incentive and complete a project within the designated tax exemption areas;
 - 100% of the municipal share of the property tax due annually where a portion of a project includes residential units and where at least 10% of the total number of those units meet affordability criteria as identified in the Official Community Plan; and
 - 75% of the municipal share of the property tax due annually on any project that qualifies for an exemption subsequent to the first development, and doesn't include residential units where at least 10% of the total number of those units meet affordability criteria as identified in the Official Community Plan.



CITY OF KELOWNA

COUNCIL POLICY MANUAL

POLICY:
PAGE: 2 of 2
APPROVAL DATE:
RESOLUTION #:
REPLACING #:
DATE OF LAST REVIEW:

SUBJECT: Tax Incentive Program

- 10) A developer who provides rental accommodation must enter into a Housing Agreement with the City of Kelowna to qualify for a tax exemption. The Housing Agreement will set out the maximum rents that can be charged over the duration of the tax exemption. The Housing Agreement will also limit conversion of rental units to strata units over the duration of the tax exemption.
- 11) Any application for a tax exemption must be made prior to August 31 so that the exemption can be considered by Council for a permissive tax exemption for the subsequent year.
- 12) To receive a tax exemption, an Occupancy Permit must be issued within 24 months of the tax exemption being authorized;
- 13) Where a property is partially within a tax exemption area, the tax exemption will apply where at least 50% of the site area lies within the tax exemption area;
- 14) Properties with property taxes in arrears will not be eligible for a tax exemption;
- 15) Any work done prior to application for a tax exemption will not be eligible for consideration;
- 16) Any tax exemption will be transferable to a new property owner or owners on a one-time-only basis, i.e., the tax incentive passes with title from the developer to the subsequent owner but not thereafter.

Council will review this policy annually to determine if it should be extended for the coming year, cancelled, or otherwise amended.

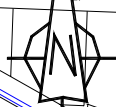
REASON FOR POLICY: To stimulate development in the Downtown and Rutland Urban Centres

LEGISLATIVE AUTHORITY: Section 226 of the Community Charter

PROCEDURE FOR IMPLEMENTATION: Implementation to be carried out by staff

City Centre Tax Incentive Area

CROWLEY AVE.

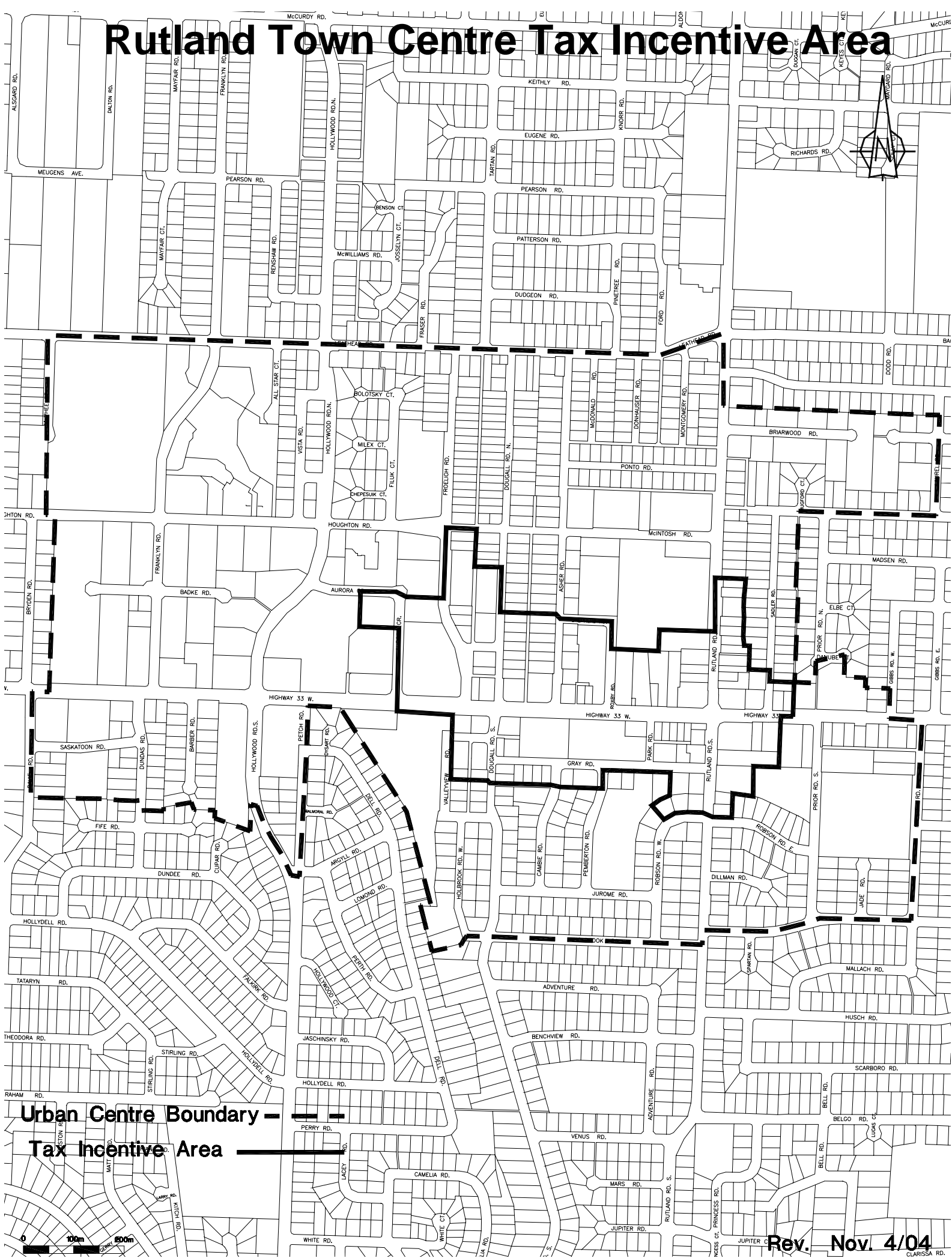


Urban Centre Boundary
Tax Incentive Areas

0 100m 200m

Rev. Sept. 10/04

Rutland Town Centre Tax Incentive Area



Rev. Nov. 4/04