
City of Kelowna
MEMORANDUM

DATE: September 27, 2006
FILE: 1970-50
TO: City Manager
FROM: Director of Financial Services
RE: **Permissive Tax Exemption - Partnering at Capital News Centre**

RECOMMENDATION:

THAT Council consider a bylaw under Section 225 of the Community Charter to exempt all areas providing a municipal service in the Capital News Centre at 4105 Gordon Drive from municipal taxation for the period concurrent with the partnering operating agreement with RG Facilities (Mission) Ltd., expiring on December 31st of the taxation year 2028;

AND THAT Council authorize the Mayor and City Clerk to enter into an exemption agreement with RG Facilities (Mission) Ltd. for the period concurrent with the partnering operating agreement, expiring on December 31st of the taxation year 2028.

BACKGROUND:

Under the partnering provisions in Section 225 of the Community Charter, Council has the authority to grant a permissive tax exemption for the Capital News Centre that can extend through the agreement period. Under the terms of the agreement with RG, a permissive tax exemption will be provided for all areas providing a municipal service in the facility which are included under roll number 4078.316. The areas deemed to be used for business purposes, Boomer's Bar and Grill and Pinnacle Sports Physiotherapy Kelowna, are under separate roll numbers and will continue to be subject to property taxation.

This bylaw will provide certainty and will mitigate annual administrative effort in seeking approval of an exemption agreement, bylaw and Order-in-Council by the province to exempt the school and other taxes on the Capital News Centre for the term of the partnering agreement. There is a similar bylaw in place for Prospera Place.

If there are future additions, deletions or changes to the business related areas in the facility, either new roll numbers will be created by BC Assessment or an amendment to the bylaw may be required.

Paul Macklem

Executed by RG Facilities (Mission) Ltd.,
By its authorized signatory:

Dave Marritt, CFO Kelowna Operations