

CITY OF KELOWNA

BYLAW NO. 10674

Amendment No. 2 to City of Kelowna Revitalization Tax Exemption Bylaw No. 9561

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Revitalization Tax Exemption Bylaw No. 9561 be amended as follows:

1. THAT Section 2. be amended by adding in it's appropriate location a definition for "Purpose Built Rental Housing" as follows:

"Purpose-Built Rental Housing" means a self-contained building(s) containing five or more Dwelling Units that are intended to be used for rental housing and does not include buildings that are stratified. Purpose-built rental housing meets an identified need for affordable housing in the city. Since rent is controlled within rental buildings under the Residential Tenancy Act, this is a form of affordable housing;"

2. AND THAT Section 5, sub-sections b. and c. be deleted in their entirety and replaced with the following:

"b. For "Tax Incentive Area 2,"

- i. 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.);
- ii. 75% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a residential land use, and/or 50% of the municipal share of the property tax due annually in relation to the improvements 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," 50% of the municipal share of the property tax due annually in relation to the improvements on a Parcel, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.);

d. For "Tax Incentive Area 4," 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;

e. For Purpose-Built Rental Housing Projects throughout the City, 100% of the municipal share of the property tax due annually in relation to improvements on the Parcel where the project is subject to a Housing Agreement (for up to 10 years) and is in compliance with the OCP Future Land Use designation as at May 30, 2011. A tax incentive for rental housing will only be considered when the vacancy rate is at or below 3%;

but in any case shall not:

- i. be more than the incremental increase in the assessed value of improvements on the Parcel between the year before the commencement of construction of the Project, and the year following the year in which the Tax Exemption Certificate is issued; nor
 - ii. include an exemption from any local service tax payable.”
3. AND THAT Section 6, Sub-paragraphs a, b, c, d, and e inclusively be deleted in their entirety and replaced with the following new Sub-paragraphs:
 - “a. the Project must involve construction that results in floor space being added to an existing building or in a new building altogether, or a renovation of existing floor space;
 - b. the construction value of additional or new floor space of the Project, as determined based on the building permit(s) issued, must be \$50,000.00 or greater;
 - c. the construction value of a renovation of the Project within 5a, 5b or 5d, as determined based on the building permit(s) issued, must be \$300,000.00 or greater. A Tax Exemption will not be considered for a renovation within 5c;
 - d. for Projects within 5c, a Tax Exemption will be considered on the first 200,000 sq. ft. of development to receive a building permit. When building permits have been issued for 200,000 sq. ft “Tax Incentive Area 3” will be removed;
 - e. the land use into which the Project is intended to fit must be one of the uses permitted in the applicable zone for the Parcel, as set out in City of Kelowna Zoning Bylaw No. 8000, as amended from time to time, and must be consistent with the future land use designation for the Parcel, as set out in *Kelowna 2030 - Official Community Plan* Bylaw No. 10500, as amended from time to time, and the Project must meet all other applicable City policies and bylaws;
 - f. the owner of the Parcel must enter into an Agreement with the City; and
 - g. the form and character of the Project must be largely consistent with the applicable Development Permit Area Design Guidelines contained within Chapter 14 of the *Kelowna 2030 - Official Community Plan* Bylaw No. 10500.”
4. AND THAT **SCHEDULE “A”, Revitalization Areas Maps** for City Centre and Rutland be deleted in their entirety and replaced with new Revitalization Areas Maps as attached to and forming part of this bylaw;

5. AND THAT SCHEDULE "B" Revitalization Tax Exemption Agreement be amended as follows:

a) Section 4. **Conditions**, be amended by deleting sub-paragraph c in its entirety and replace it with the following:

"c. The Owner must submit a copy of the Occupancy Permit and Revitalization Tax Exemption Agreement to the City of Kelowna's Financial Services Department before the City will issue the Tax Exemption Certificate.

d. The completed Project must substantially satisfy the performance criteria set out in Appendix "D" hereto, as determined by the City's Director of Land Use Management or designate, in their sole discretion, acting reasonably."

b) Section 5. **Calculation of Calculation of Revitalization Tax Exemption**, be amended by deleting sub-paragraphs b and c in their entirety and replacing it with the following new sub-paragraphs:

"b. For "Tax Incentive Area 32,"

i. 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.);

ii. 75% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a residential land use, and/or 50% of the municipal share of the property tax due annually in relation to the improvements on the Parcel which can be attributed to a commercial land use, for a project with a minimum floor area of less than 3,716 m² (40,000 sq. ft.);

c. For "Tax Incentive Area 3," 50% of the municipal share of the property tax due annually in relation to the improvements on a Parcel, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.);

d. For "Tax Incentive Area 4," 100% of the municipal share of the property tax due annually in relation to the improvements on the Parcel;

- e. For Purpose-Built Rental Housing Projects throughout the City, 100% of the municipal share of the property tax due annually in relation to improvements on the Parcel where the project is subject to a Housing Agreement (for up to 10 years) and is in compliance with the OCP Future Land Use designation as at May 30, 2011. A tax incentive for rental housing will only be considered when the vacancy rate is at or below 3%;
- 6. This bylaw shall be cited for all purposes as "Bylaw No. 10674 being Amendment No. 2 to City of Kelowna Revitalization Tax Exemption Bylaw No. 9561."
- 7. This bylaw shall come into full force and effect and be binding on all persons on 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

Clerk

SCHEDULE "A", Revitalization Areas



