



City of Vernon

**REVITALIZATION TAX
EXEMPTION BYLAW
(CITY CENTRE
DISTRICT) BYLAW**

#5362

THE CORPORATION OF THE CITY OF VERNON

BYLAW NUMBER 5362

A bylaw to establish a revitalization tax
exemption program in the City Centre District

WHEREAS Council may, by bylaw, establish a revitalization tax exemption program;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the City Centre District pursuant to Section 226(4) [*Revitalization tax exemption*] of the *Community Charter*;

AND WHEREAS Council has considered this bylaw in conjunction with the objectives and policies set out under Section 165(3.1)(c) [*Financial plan*] of the *Community Charter* in its Financial Plan;

AND WHEREAS Council has given notice of the consideration of this bylaw under Section 227(3) [*Notice of permissive tax exemptions*] of the *Community Charter*;

NOW THEREFORE, in open meeting assembled, the Council of the Corporation of the City of Vernon enacts as follows:

1. Citation

This bylaw may be cited as “**City of Vernon Revitalization Tax Exemption Bylaw (City Centre District) Bylaw Number 5362, 2012**”.

2. Definitions

“**Building Permit**” means authorization in writing from the Manager of Building and Inspections to perform building work regulated by the Building and Plumbing Bylaw #4900.

“**City**” means the Corporation of the City of Vernon.

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“City Centre Neighbourhood Plan” means the City Centre Neighbourhood Plan Bylaw #5315, as amended.

“Development Permit Minor” means written authorization from the Approving Officer to proceed with exterior or façade changes to existing buildings.

“Exemption Certificate” means a Revitalization Tax Exemption Certificate issued by the City under this bylaw in respect of an eligible property.

“Manager of Building and Inspections” includes the person appointed to that position and a person authorized by the Manager of Building and Inspections to perform duties under the Building and Plumbing Bylaw #4900.

“New Building” means the construction of a new separate building on a property. This does not include additions to an existing building, or foundation work only.

“Occupancy Permit” means authorization in writing from the Manager of Building and Inspections to occupy a building for its intended use.

“Permit Value” means a calculation of the total value of any form of construction that is to be submitted by the owner to the satisfaction of the Manager of Building and Inspections.

“Revitalization Tax Exemption Agreement” means an agreement between the City and an owner of an eligible property under this program in respect of the matters described in Section 226(7) of the *Community Charter*.

3. Revitalization Tax Exemption Program

Council hereby establishes a Revitalization Tax Exemption Program, pursuant to Section 226 of the *Community Charter*, as follows:

- a. The reasons for, and objectives of, the Revitalization Tax Exemption Program are to encourage the construction of new buildings, and exterior alterations and improvements of existing buildings within the City Centre District, as shown in Schedule A, attached hereto and forming part of this bylaw.
- b. The Revitalization Tax Exemption Program is intended to accomplish Council’s objectives by providing property tax relief to property owners who undertake eligible construction within the City Centre District.
- c. A property owner must enter into a Revitalization Tax Exemption Agreement with the City of Vernon that determines the conditions for eligibility for a specific property. The kinds of property that will be eligible for tax exemptions under the Revitalization Tax Exemption Program are the following:

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i. Construction of New Buildings

Properties that are the subject of a Building Permit for a new building having a permit value, as determined by the Manager of Building and Inspections, of \$200,000.00 or greater, where the Building Permit was issued on or after May 14, 2012 and an occupancy permit has been issued. New construction must conform to the land use designations and policies of the City Centre Neighbourhood Plan. *(Bylaw 5515)*

ii. Additions to Existing Buildings

Properties that are the subject of a Building Permit for an addition to an existing building having a permit value, as determined by the Manager of Building and Inspections, of \$50,000.00 or greater, where the Building Permit was issued on or after May 14, 2012 and an occupancy permit has been issued. New construction must conform to the land use designations and policies of the City Centre Neighbourhood Plan and add additional commercial, industrial or institutional space and/or an additional dwelling unit or secondary suite to an existing building. *(Bylaw 5515)*

iii. Exterior and Interior Renovations to Existing Buildings

Properties that are the subject of a Building Permit and or a Development Permit Minor where the project does not increase floor space and have a permit value, as determined by the Manager of Building and Inspections, of \$25,000.00 or greater, where the permit was issued on or after May 14, 2012 and an occupancy permit has been issued. Where only a Development Permit Minor has been required, the completion of the project in a manner that is consistent with that permit replaces the requirement for an occupancy permit for the purposes of eligibility. To be eligible, the exterior of the building must comply or be made to comply with the Design Guidelines outlined in Section 4.0 of the City Centre Neighbourhood Plan. *(Bylaw 5515)*

- d. Properties currently subject to a revitalization tax exemption under this program are ineligible for an additional revitalization tax exemption.
- e. The extent of the tax exemptions available under the Revitalization Tax Exemption Program is the municipal portion of the tax increase directly attributable to the increase in assessed value of the land and improvements between the highest of the previous two years of assessment prior to the start of construction and the year the project is completed.
- f. The amount of the tax exemptions that may be provided under this bylaw in any year is calculated as follows:
- Years 1-5: 100% of the increased assessed value

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- Year 6: 80% of the increased assessed value
- Year 7: 60% of the increased assessed value
- Year 8: 40% of the increased assessed value
- Year 9: 20% of the increased assessed value
- Year 10: 10% of the increased assessed value

g. The maximum term of a tax exemption that may be provided under this bylaw is 10 years.

4. Requirements for Exemption Certificate Issuance

Before an Exemption Certificate will be issued under this bylaw for a particular property, the following requirements must be met:

- a. An application fee as per the current Fees and Charges Bylaw;
- b. The property owner must have been issued an Occupancy Certificate in respect to the development which is eligible for incentives under this bylaw;
- c. All property taxes, including penalties and interest, due and owing in respect of the property must be fully paid; and
- d. The property owner must have entered into a Revitalization Tax Exemption Agreement with the City and have completed any required conditions.

5. Issuance of an Exemption Certificate

Once the conditions established under this Bylaw and the Revitalization Tax Exemption Agreement have been met, a Revitalization Tax Exemption Certificate must be issued for the property, which specifies the following:

- a. The term of the tax exemption;
- b. The formula for determining the tax exemption;
- c. The conditions on which the tax exemption is provided; and
- d. That a recapture amount is payable if the certificate is cancelled and how that amount is to be determined.

6. Conditions within an Exemption Certificate

An Exemption Certificate issued under this bylaw will be subject to the property owner complying with all of the following conditions:

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- a. All property taxes, including penalties and interest, that are payable in respect of the eligible property, and all other properties within the City owned by that person, must be fully paid;
- b. Any criteria which made the development eligible for incentives under this bylaw must be maintained for the duration of the tax incentive available under this bylaw; and
- c. The property owner must not be in breach of the Revitalization Tax Exemption Agreement.

7. Recapture of Exempted Taxes

If a property that has benefited from a tax exemption under the Revitalization Tax Exemption Program established by this bylaw ceases to meet all the conditions of the Exemption Certificate as a result of wilful alterations, then the Exemption Certificate shall be cancelled and all the taxes which were exempted in respect of that property shall be repaid, plus interest, as if the taxes had never been exempted, and the Collector shall add those taxes to the roll for that property.

8. Severability

If any section, subsection, clause or phrase of this bylaw is held to be invalid for any reason by a court or competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of the bylaw.

READ A FIRST TIME this 23rd day of April, 2012.

READ A SECOND TIME this 23rd day of April, 2012.

READ A THIRD TIME, this 23rd day of April, 2012.

NOTICE pursuant to Section 227(3) of the *Community Charter* provided on the 29th day of April, 2012, and the 6th day of May, 2012.

ADOPTED this 14th day of May, 2012.

'R. Sawatzky'

'P. Bridal'

Mayor

Corporate Officer

SCHEDULE 'A'
Attached to and Forming Part of Bylaw 5471
City of Vernon Revitalization Tax Exemption Bylaw
(City Centre District) Bylaw Number 5471, 2014

