



# **Downtown Revitalization Tax Exemption Program**

Presentation to  
Finance Audit Committee  
March 14, 2018

# Background

- At the December 07, 2017 Finance and Audit Committee Meeting staff presented information for establishing a new Downtown Revitalization Tax Exemption Program ('DRTEP')  
(attachment D)

# DRTEP

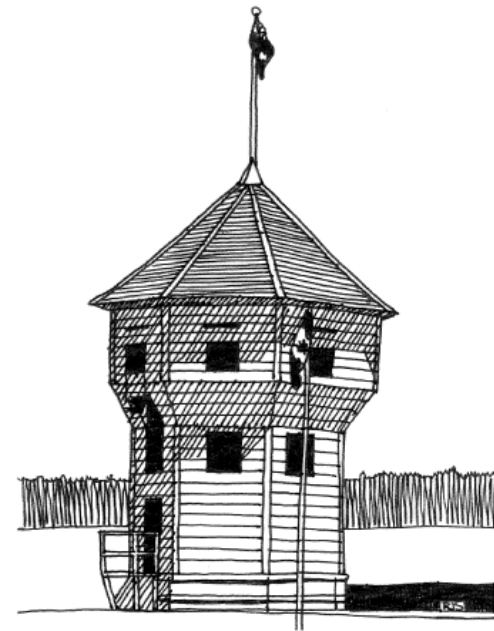
- 10 year tax exemption on municipal portion of property taxes

## Projects Eligible:

- New multi-family residential  $\geq 4$  units & value of BP  $\geq$  \$500,000.
- New commercial buildings with a permit value  $\geq$  \$500,000.
- Additions or renovations (improvements) to existing commercial buildings with a permit value  $\geq$  \$500,000 and the value of construction must be at least 50% of the current assessed value of the building.

# Downtown Neighborhood Plan

- DRTEP consistent with the Downtown Neighborhood plan's vision to *encourage more people to live downtown, to expand the downtown housing stock, and to improve the downtown economy by generating new and expanded commercial developments.*



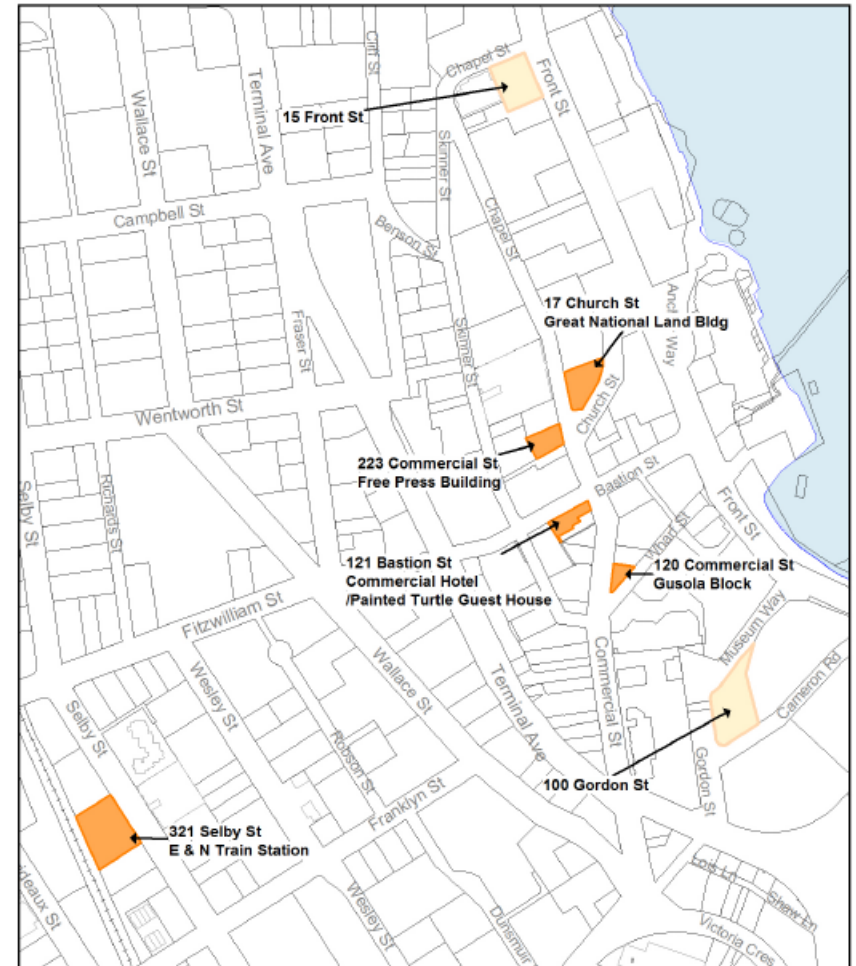
## NANAIMO DOWNTOWN PLAN REFERENCE DOCUMENT April 2002

City of Nanaimo Official Community Plan Policy Section of Reference Document was adopted as part of the City of Nanaimo Official Community Plan on 2002-May-27 in Bylaw No. 6000.038  
Amendments approved 2004-Dec-13 for Sections 3.2, 4.9.3, 4.9.4, 4.9.10, 5.1 and 5.2

# Follow-up items #1

ATTACHMENT A - EXISTING DOWNTOWN PROPERTIES SUBJECT TO A TAX EXEMPTION PROGRAM

- Confirm which properties in the downtown core are already in a tax exemption program (attach. A)
- 5 properties under residential conversion program, 2 under hotel program.



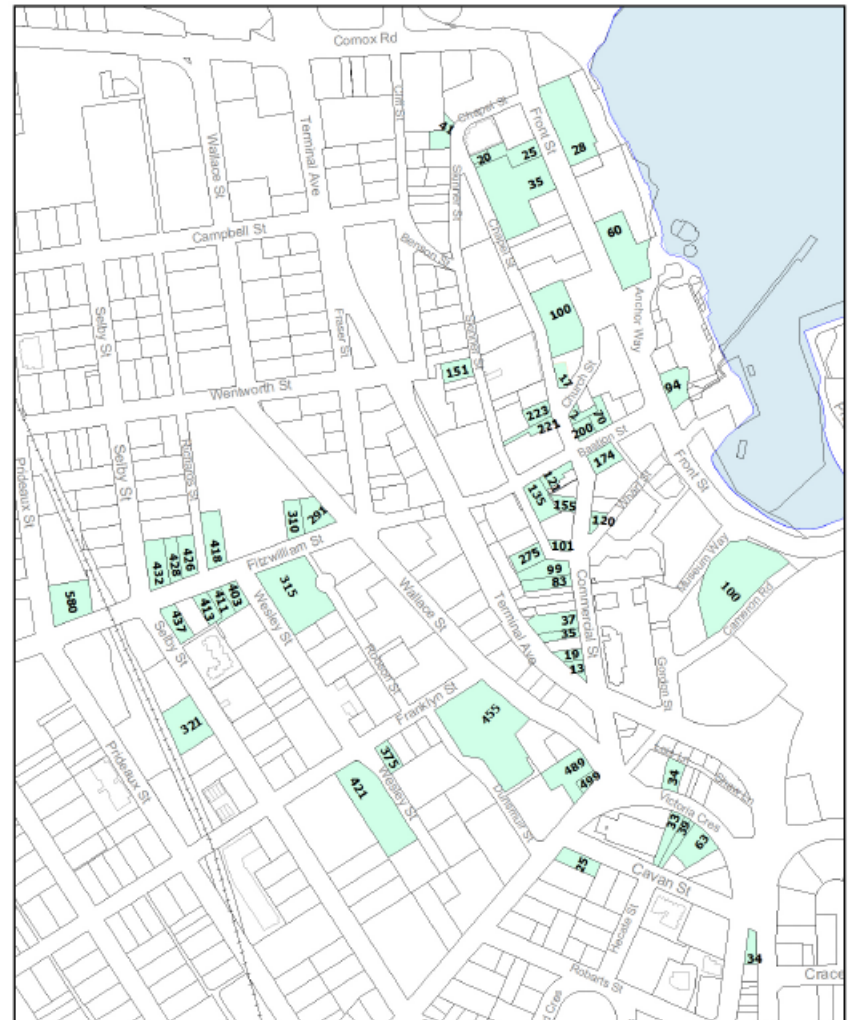
Orange: Downtown Residential Conversion  
Tax Exemptions Approved  
Yellow: Hotel Revitalization  
Tax Exemption Program

Note: 10 Year tax freeze for the Great National Land Bldg  
at 17 Church Street. Term of freeze 1998 - 2007.

# Follow-up items #2

- Address potential conflict with the new DRTEP and the existing Heritage Tax Exemption Program (attach. B)
- 53 properties in Heritage registrar. Ineligible for DRTEP, 1 exception:  
if sufficient vacant lot area to add new multi-family or new commercial dev't that meet DRTEP criteria.

ATTACHMENT B - EXISTING DOWNTOWN HERITAGE BUILDING REGISTRAR

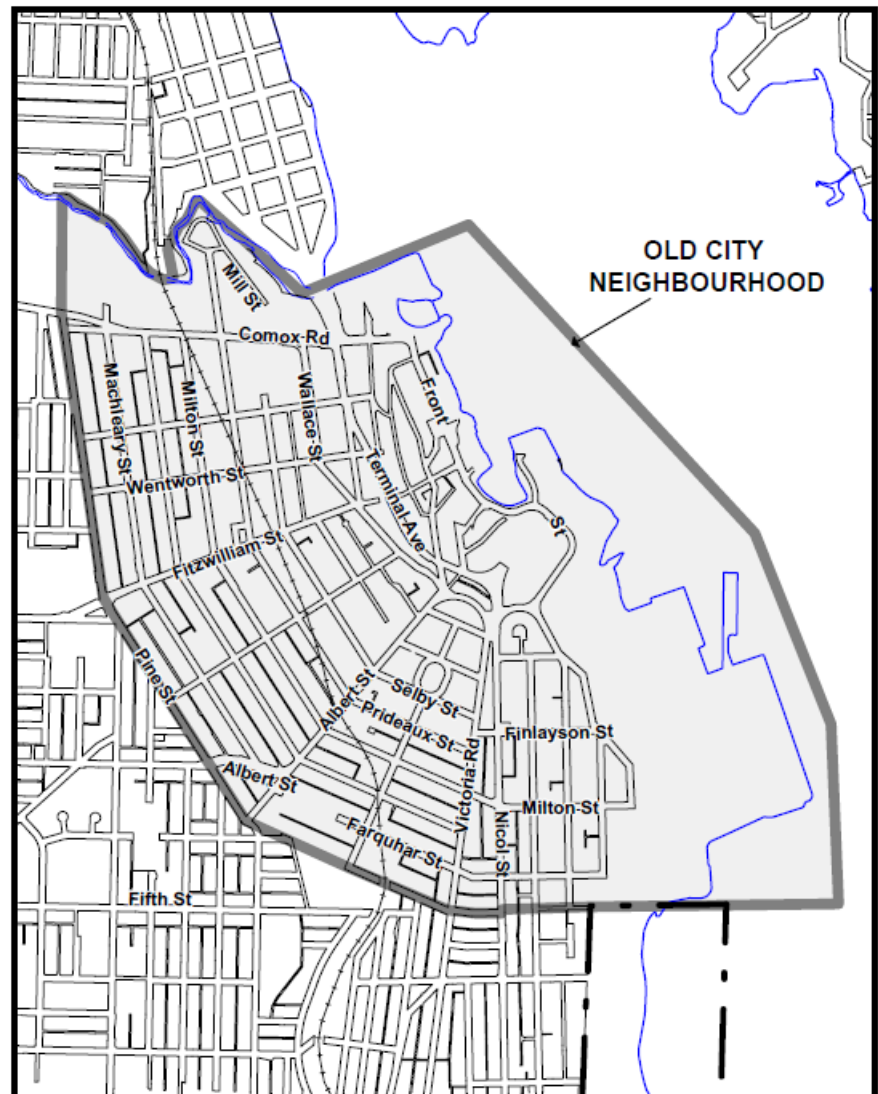


Heritage Buildings Listed in  
Heritage Conservation Area 1  
Eligible for Heritage Tax Exemption

# Follow-up items #3

- Consider Expanding the proposed DRTEP zone to include Haliburton Street.
- Staff reviewed this and recommend that a separate revitalization tax exemption area be created for South End.

ATTACHMENT C - PROPOSED DOWNTOWN REVITALIZATION TAX EXEMPTION PROGRAM ZONE



# Summary

- The new DCC Bylaw will take effect on 2018-APR-02. Staff propose the creation of a DRTEP to stimulate development in this area of the City.
- The 10-year tax exemption applies to the municipal portion of the property taxes.
- The DRTEP applies to the construction of new multi-family, new commercial and additions/renovations to commercial buildings within the DRTEP zone (former DCC exempt zone).
- Properties within the Heritage Registrar are not eligible for the DRTEP program, unless the parcel is of sufficient size to support retention of the historical building and able to support a new residential or commercial building meeting the DRTEP criteria.

# OPTIONS

That the Finance and Audit Committee:

## **Option 1:**

That the Finance & Audit Committee:

- Recommend that Council provide approval to establish a Downtown Revitalization Tax Exemption Program; and
- Recommend that “ Revitalization Tax Exemption Bylaw 2018 No 7261 ( to create a new Downtown Revitalization Tax Exemption Program) pass first reading, second reading and third reading.

## **Option 2:**

- That Council provide other direction.

Thank you!

