

DATE OF MEETING APRIL 23, 2018

AUTHORED BY [BILL CORSAN, DEPUTY DIRECTOR, COMMUNITY DEVELOPMENT]

SUBJECT DOWNTOWN REVITALIZATION TAX EXEMPTION PROGRAM

OVERVIEW

Purpose of Report

To present for Council's consideration, a bylaw to establish a Downtown Revitalization Tax Exemption Program.

Recommendation

That the:

1. "Revitalization Tax Exemption Bylaw 2018 No. 7261" (To create a new Downtown Revitalization Tax Exemption Program) pass first reading;
2. "Revitalization Tax Exemption Bylaw 2018 No. 7261" pass second reading; and,
3. "Revitalization Tax Exemption Bylaw 2018 No. 7261" pass third reading.

BACKGROUND

At the 2017-DEC-07 Finance and Audit Committee Meeting, Staff presented background information on the concept of establishing a Downtown Revitalization Tax Exemption Program (the 'DRTEP').

The objective of the program is 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 development. Over time, a stronger development climate and an increasing population base will attract more business and investment to the Downtown core, including new and revitalized shops, restaurants, and a variety of services.

The Finance and Audit Committee endorsed the bylaw and program on 2018-MAR-14 and was further endorsed by Council at the Special Council meeting on 2018-MAR-26.

Downtown Revitalization Tax Exemption Program – Key Elements

The program provides a 10-year tax exemption on the municipal portion of the landowner's taxes and apply to the following projects:

- Construction of new multi-family residential units (four or more) with a permit value greater than \$500,000.
- Construction of new commercial buildings with a permit value greater than \$500,000.
- Additions or renovations (improvements) to existing commercial buildings with a permit value greater than \$500,000. The value of construction must be at least 50% of the current assessed value.

The DRTEP program will be applied to the Old City Neighbourhood and Downtown. This is consistent with the area of the city that was excluded from Development Cost Charges (DCCs) under the previous DCC Bylaw (Attachment A).

Properties that are currently under the Heritage Building Registrar (53 properties in total) are not eligible for the DRTEP program unless there is sufficient vacant lot area to add a new multi-family or commercial development without impacting the heritage building.

OPTIONS

A. That the:

1. "Revitalization Tax Exemption Bylaw 2018 No. 7261" (To create a new Downtown Revitalization Tax Exemption Program) pass first reading;
2. "Revitalization Tax Exemption Bylaw 2018 No. 7261" pass second reading; and,
3. "Revitalization Tax Exemption Bylaw 2018 No. 7261" pass third reading.
 - **Budget Implication:** Impacts on the budget will depend on the number of projects undertaken and the value of the exemptions. The stimulation of development downtown will help grow the tax base, which the City would benefit from after the 10-year exemption ends.
 - **Legal Implication:** The City solicitor prepared the bylaw in accordance with the provisions of the *Community Charter*.
 - **Policy Implication:** The Official Community Plan (OCP) recognizes the downtown core as the 'heart' of the City and encourages revitalization efforts.
 - **Strategic Priorities Implication:** The DRTEP is consistent with Council's commitment to the 'economic health' pillar in the City's Strategic Plan.
 - **Political Implication:** Further investment in the downtown core will help diversify downtown and counteract some of the negative attention the downtown core has been receiving as of late.

B. That Council provide other direction. |

SUMMARY POINTS

- The Downtown Revitalization Tax Exemption Program will encourage investment in this area of the city.
- The 10-year tax exemption only applies to the municipal portion of the property owners taxes.
- The Downtown Revitalization Tax Exemption Program will apply to the construction of new multi-family, new commercial, and additions/renovations to commercial buildings within the DTREP zone.
- The DTREP zone is the same as the former DCC Exempt area. |

ATTACHMENTS

ATTACHMENT A: Downtown Revitalization Tax Exemption Program Zone
"Revitalization Tax Exemption Bylaw 2018 No. 7261" |

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Concurrence by:

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