

CITY OF SALMON ARM

BYLAW NO. 4020

A bylaw to provide for an Industrial Revitalization Tax Exemption

WHEREAS the Council may, by bylaw, provide for an Revitalization Tax Exemption Program in accordance with Section 226 of the *Community Charter*;

AND WHEREAS Council wishes to establish an Industrial Revitalization Tax Exemption Program to encourage property investment and industrial revitalization in the Industrial Revitalization Area;

AND WHEREAS Council's objective is to stimulate and reinforce development initiatives in the Industrial Revitalization Area by promoting property investment;

AND WHEREAS Council has designated an Industrial Revitalization Area pursuant to the City of Salmon Arm's Official Community Plan;

AND WHEREAS the *Community Charter* provides that an Revitalization Tax Exemption Program bylaw may only be adopted after notice of the proposed bylaw has been given in accordance with Section 227 of the *Community Charter* and Council has given this notice;

NOW THEREFORE, the Council of the City of Salmon Arm, in open meeting assembled, enacts as follows:

INTERPRETATION

1. In this bylaw:

"Agreement" means an Industrial Revitalization Tax Exemption Agreement, as set out in Schedule "B" attached hereto and forming part of this Bylaw, between the owner of a property located in the Industrial Revitalization Area as set out on Schedule "A" attached hereto and forming part of this Bylaw;

"Assessed Value" will have the same meaning as set out in the *Assessment Act*;

"City" means the City of Salmon Arm;

“Corporate Officer” means the Corporate Officer of the City of Salmon Arm;

“Council” means the Council of the City of Salmon Arm;

“Owner” means the legal registered owner and any subsequent owner of the Property or any parts into which the Property is subdivided, and includes any person who is a registered owner in fee simple of the Property from time to time;

“Property” means the legally described improvements to which an Industrial Revitalization Tax Exemption is applied for and as legally described in the Agreement, but does not include new construction or alterations to an existing improvement on City owned lands;

“Industrial Revitalization Area” means an area designated and set out on Schedule “A” attached hereto and forming part of this Bylaw;

“Industrial Revitalization Tax Exemption” means an Industrial Revitalization Tax Exemption pursuant to an Industrial Revitalization Tax Exemption Certificate;

“Industrial Revitalization Tax Exemption Certificate” means an Industrial Revitalization Tax Exemption pursuant to this Bylaw.

2. There is established an Industrial Revitalization Tax Exemption Program which includes the following:

- a) Industrial Revitalization Tax Exemptions authorized under this Bylaw applies to:
 - i) the construction of a new improvement where the value of the new construction referred to in the building permit has a value in excess of \$300,000.00;
 - ii) the alteration of an existing improvement where the alteration referred to in the building permit has a value in excess of \$300,000.00, and

wherein the Property is located within the Industrial Revitalization Area as set out on Schedule “A” attached hereto and forming part of this Bylaw.

- b) Any construction of a new improvement or alteration of an existing improvement as outlined in Section 2 a) of this Bylaw undertaken prior to the application for an Industrial Revitalization Tax Exemption will not be eligible for consideration.
- c) The maximum Industrial Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the assessed value of the improvements on the Property between:

- i) the calendar year before the construction or alteration began, as outlined under Section 2 a) of this Bylaw; and
 - ii) the calendar year in which the construction or alteration as outlined under Section 2 a) of this Bylaw is completed.
- d) The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as outlined in Section 2 a) of this Bylaw, as a result of the Industrial Revitalization Tax Exemption.
- e) The maximum term of an Industrial Revitalization Tax Exemption is contingent on when the Industrial Revitalization Tax Exemption Certificate for the Property is issued by the City pursuant to this Bylaw and the Agreement:
- i) if the new construction or the alteration to an existing improvement as outlined in Section 2 a) of this Bylaw have commenced on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Industrial Revitalization Tax Exemption Certificate will be issued for one (1) year and a subsequent Industrial Revitalization Tax Exemption Certificate will be issued for the next four (4) years plus a single renewal for a term of an additional five (5) years;
 - ii) if the new construction or the alteration to an existing improvement as outlined in Section 2 a) of this Bylaw have commenced and been completed on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Industrial Revitalization Tax Exemption Certificate will be issued for five (5) years plus a single renewal for a term of an additional five (5) years;
- f) The amount of Industrial Revitalization Tax Exemptions authorized under this Bylaw to calculate the general municipal property tax payable (excluding specified area levies) is equal to any increase in the assessed value of improvements on the Property attributed to a building permit issued as a result of new construction or the alteration to an existing improvement as outlined in Section 2 a) of this Bylaw (hereinafter referred to as the Total Amount) and is as follows:
- i) Year 1 - 5 Total Amount
 - ii) Year 6 Total Amount less 20%
 - iii) Year 7 Total Amount less 40%
 - iv) Year 8 Total Amount less 60%

- | | | |
|-----|---------|-----------------------------------------------------------------------------------------------------|
| v) | Year 9 | Total Amount less 80% |
| vi) | Year 10 | Total Amount less 100% - No Industrial Revitalization Tax Exemption, the Property is fully taxable. |
3. The kinds of property that will be eligible for an Industrial Revitalization Tax Exemption under this Bylaw will be limited to property zoned Industrial.
 4. This Bylaw does not apply to a property unless:
 - a) the property is located in the Industrial Revitalization Area shown on Schedule "A" attached hereto and forming part of this Bylaw; and
 - b) the Owner of the property has entered into an Agreement with the City as set out in Schedule "B" attached hereto and forming part of this Bylaw.
 5. Where a property is partially within the Industrial Revitalization Area, this Bylaw shall apply where at least 50% of the property lies within the Industrial Revitalization Area.
 6. This Bylaw does not apply to any property owned by the City of Salmon Arm.
 7. Once the conditions established under this Bylaw and the Agreement as set out in Schedule "B" attached hereto and forming part of this Bylaw, have been met, an Industrial Revitalization Tax Exemption Certificate must be issued for the Property.
 8. The Industrial Revitalization Tax Exemption Certificate must, in accordance with the conditions established in this Bylaw and the Agreement set out in Schedule "B" attached hereto and forming part of this Bylaw, specify the following:
 - a) the amount of the Industrial Revitalization Tax Exemption or the formula for determining the Industrial Revitalization Tax Exemption;
 - b) the term of the Industrial Revitalization Tax Exemption;
 - c) the conditions on which the Industrial Revitalization Tax Exemption is provided; and
 - d) that a recapture amount is payable if the Industrial Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.
 9. If an Owner wants to apply for an Industrial Revitalization Tax Exemption under the Bylaw, the Owner must apply to the Corporate Officer in writing and must submit the following with the application:

- a) a certificate that all property taxes assessed and rates, charges, and fees imposed on the Property have been paid and where property taxes, rates or assessments are payable by installments, that all installments owing at the date of the certificate have been paid; the provision for Development Cost Charge installments shall be pursuant to Section 933 of the *Local Government Act* and Regulation 166/84.
 - b) a completed written application as per Schedule "C" attached hereto and forming part of this Bylaw available in the Office of the Corporate Officer;
 - c) description of the construction or alteration as outlined in Section 2 a) of this Bylaw, that would be eligible under the Bylaw for an Industrial Revitalization Tax Exemption;
 - d) an examination fee in the amount of \$100.00; and
 - e) a copy of the Agreement as set out in Schedule "B" attached hereto and forming part of this Bylaw, duly executed by and on behalf of the Owner.
10. In the event that the conditions under which an Industrial Revitalization Tax Exemption Certificate was issued are no longer met by the Owner, as set out in Section 10 of this Bylaw, the Owner must pay to the City a recapture amount of the foregone general municipal property taxes of the following applicable percentage of the total Industrial Revitalization Tax Exemptions obtained under this Bylaw:
- a) Years 1 to 10 50%
11. An Industrial Revitalization Tax Exemption Certificate will be cancelled if:
- a) the Industrial zoning is changed;
 - b) the Owner breaches any covenant or condition of this Bylaw or the Agreement set out in Schedule "B" attached hereto and forming part of this Bylaw;
 - c) the Owner has allowed the property taxes to go into arrears or to become delinquent; or
 - d) the property is put to a use that is not permitted in the Industrial zone.
12. The Corporate Officer is hereby authorized to execute the documentation necessary to give effect to the provisions of this Bylaw, including the Agreement set out in Schedule "B" attached hereto and forming part of this Bylaw.
13. If any section or phrase of this Bylaw is for any reason held to be invalid by a decision of any Court of competent jurisdiction, it shall be severed and the invalidity of the remaining provisions of this Bylaw shall not be affected.

14. Any enactments referred to herein is a reference to an enactment of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time.
15. This Bylaw shall come into full force and effect upon adoption of same.
16. This Bylaw shall have an expiration date of May 12, 2024.
17. This Bylaw may be cited as "City of Salmon Arm Industrial Revitalization Tax Exemption Bylaw No. 4020".

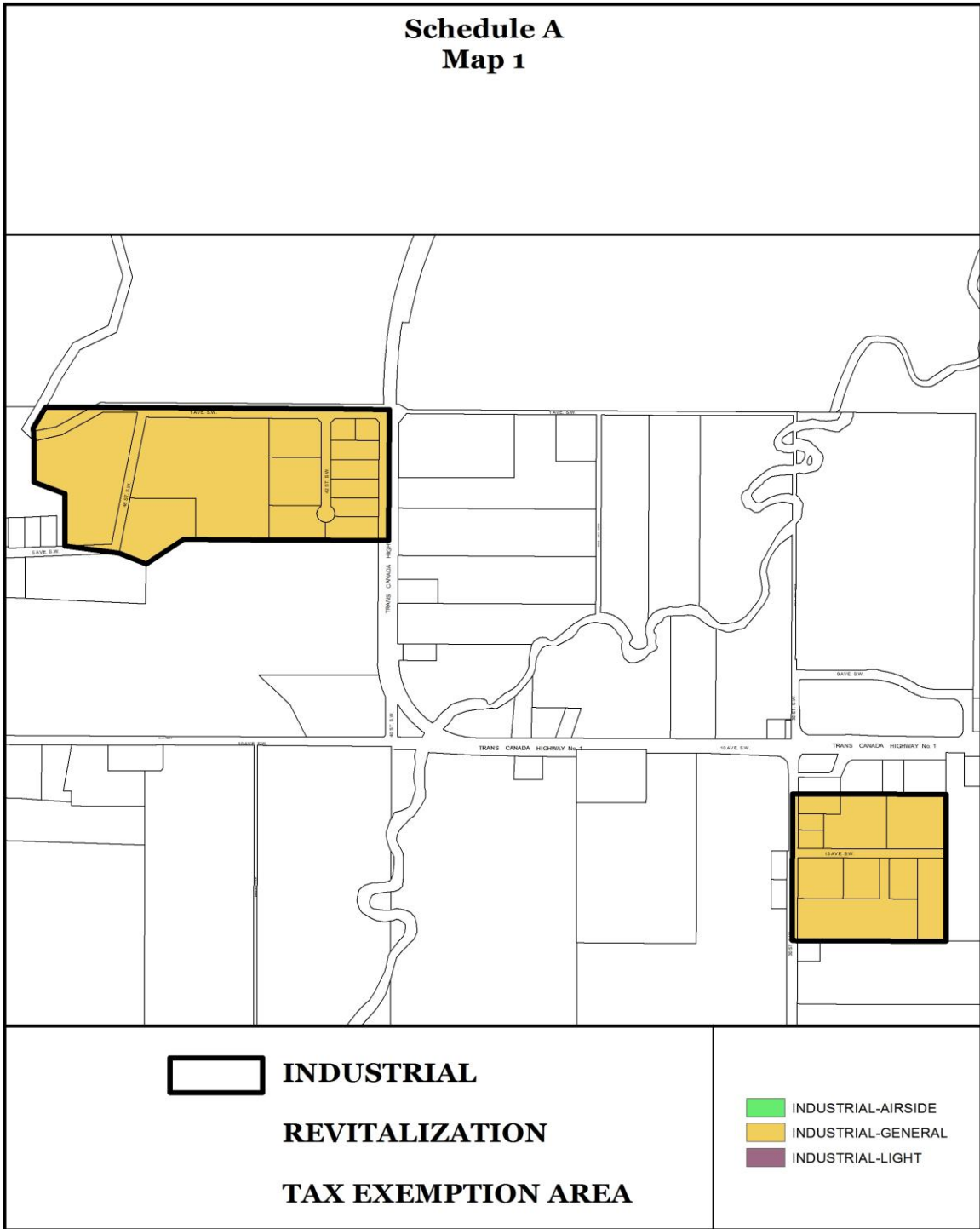
READ A FIRST TIME THIS	28th	DAY OF	April	2014
READ A SECOND TIME THIS	28th	DAY OF	April	2014
READ A THIRD TIME THIS	28th	DAY OF	April	2014
ADOPTED BY COUNCIL THIS	23rd	DAY OF	June	2014

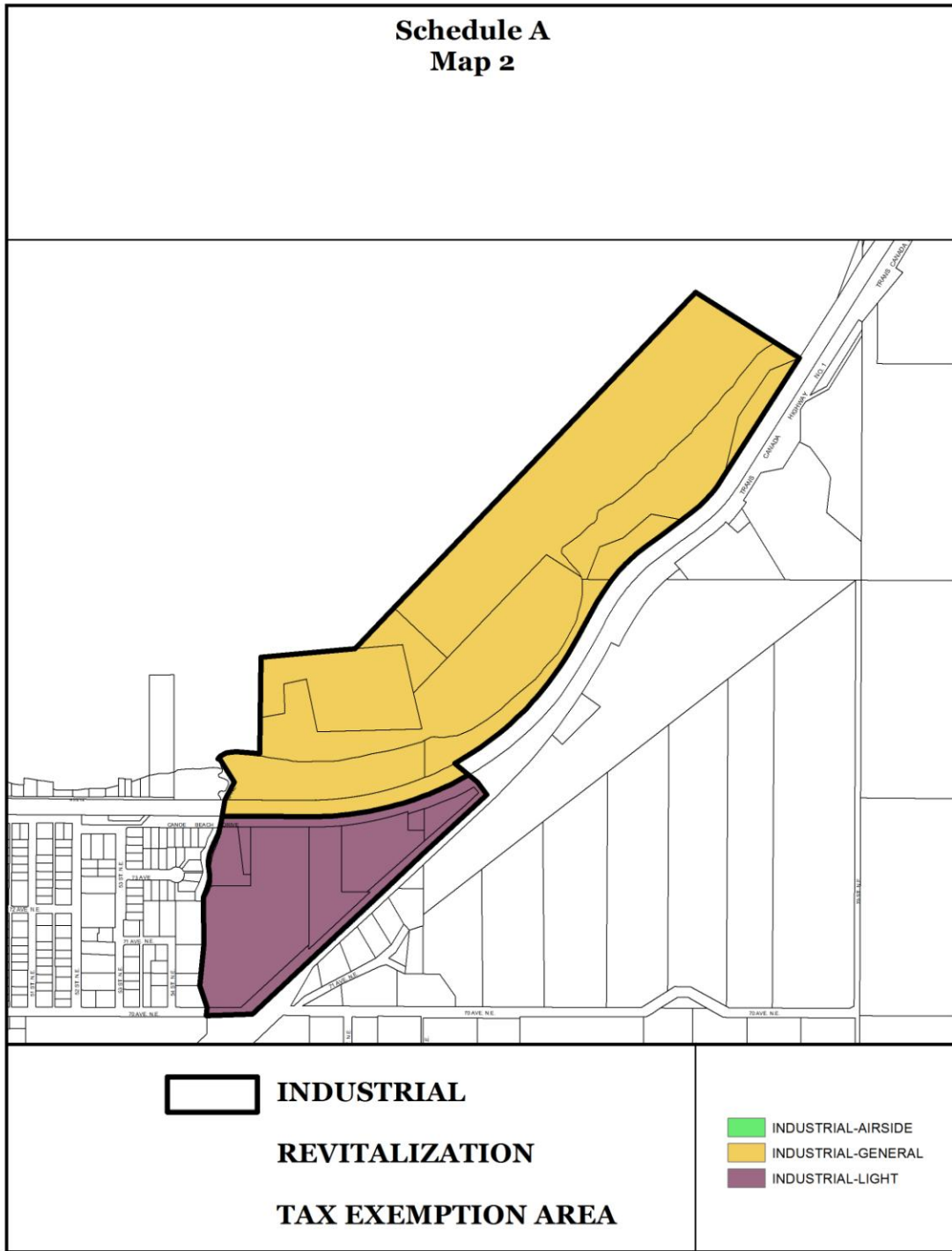
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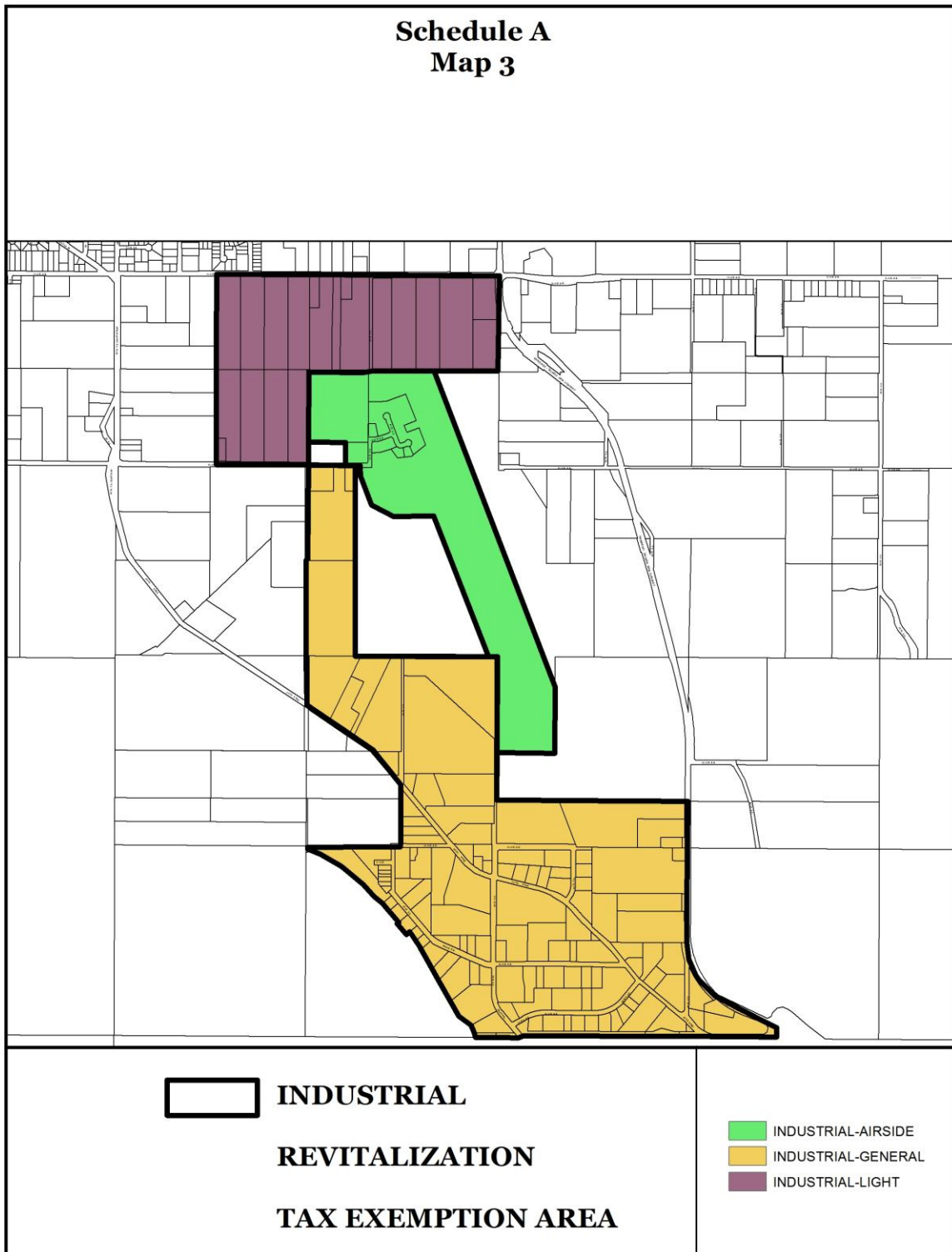
MAYOR

"E. JACKSON"

CORPORATE OFFICER







BYLAW NO. 4020

SCHEDULE "B"

Industrial Revitalization Tax Exemption Agreement

This Agreement dated for reference the _____ day of _____,

BETWEEN

Name and Address of Owner (hereinafter called the Owner)

OF THE FIRST PART

AND

City of Salmon Arm (hereinafter called the City)
500 - 2 Avenue NE
Box 40
Salmon Arm BC V1E 1V8

OF THE SECOND PART

WHEREAS the City has under the Bylaw defined in this Agreement established an Industrial Revitalization Tax Exemption Program for the purpose of encouraging Industrial Revitalization of an area of the municipality;

AND WHEREAS Council's objective is to stimulate and reinforce development initiatives in the Industrial Revitalization Area by promoting property investment within the Industrial zone and to reinforce the City's investment in infrastructure upgrades and beautification projects;

AND WHEREAS the Property that is the subject of this Agreement is located in an area designated by the City Council as an Industrial Revitalization Area legally described as _____ (hereinafter referred to as the Property);

AND WHEREAS the Owner is a registered Owner in fee simple of the Property defined in this Agreement;

AND WHEREAS this Agreement contains the terms and conditions respecting the provision of an Industrial Revitalization Tax Exemption under the Bylaw defined in this Agreement;

AND WHEREAS the Property that is subject of this Agreement is zoned Industrial and shall remain zoned Industrial for the duration of this Agreement;

AND WHEREAS the Owner and the City wish to enter into this Agreement.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and the payment by the Owner to the City consideration in the amount of \$10.00 (Ten) Dollars, the receipt and sufficiency of which are acknowledged by the City, the City and Owner covenant and agree with each other as follows:

DEFINITIONS

1. In this Agreement the following words have the following meanings:

"Agreement" means this Agreement, including the standard charge terms contained in this Agreement;

"Assessed Value" means the most recent assessed value of the Property as determined by the BC Assessment Authority in the area in which the Property is located; if such value is not available then the assessed value means the highest price in terms of money that the real property will fetch under all conditions requisite to a fair sale with the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus as estimated by a real estate appraiser accredited in the jurisdiction in which the Property is located;

"Bylaw" means "City of Salmon Arm Industrial Revitalization Tax Exemption Bylaw No. 4020", in force from time to time;

"Council" means the Council of the City of Salmon Arm;

"Owner" means the legal registered owner and any subsequent owner of the Property or any parts into which the Property is subdivided, and includes any person who is a registered owner in fee simple of the Property from time to time;

"Property" means the legally described land and improvements to which an Industrial Revitalization Tax Exemption is applied for and as legally described in the Agreement;

TERM

2. The Owner covenants and agrees with the City that the term of this Agreement is:
 - a) five (5) years commencing on January 1 of the first calendar year after the calendar year that the Industrial Revitalization Tax Exemption Certificate is issued; and
 - b) a renewal term of an additional five (5) years at the election of the Owner.

RENEWAL

3. The Owner must make application to the City for a renewal by October 31 in the year prior to the year in which the Industrial Revitalization Tax Exemption is requested to qualify for a renewal for the additional five (5) years.

APPLICATION IMPROVEMENTS

4. The Industrial Revitalization Tax Exemption authorized under the Bylaw applies to:
 - a) construction of a new improvement where the value of the construction referred to in the building permit is in excess of \$300,000.00; or
 - b) alteration of an existing improvement, where the value of the alteration referred to in the building permit is in excess of \$300,000.00;

Any construction of a new improvement or alteration of an existing improvement as outlined in this Section that is undertaken prior to the application for an Industrial Revitalization Tax Exemption will not be eligible for consideration.

INDUSTRIAL REVITALIZATION TAX EXEMPTION CERTIFICATE

5.
 - a) Once the Owner has completed the construction of the new improvement or alteration of an existing improvement referred to in Section 4 of this Agreement and the City has issued an Occupancy Permit under the City's Building Regulation Bylaw, in force from time to time, in respect of the new improvement or alteration of an existing improvement, the City must issue an Industrial Revitalization Tax Exemption Certificate to the Owner of the Property if the Owner and the Property are otherwise in compliance with this Agreement.
 - b) An Industrial Revitalization Tax Exemption Certificate must, in accordance with the conditions established under the Bylaw and this Agreement, specify the following:
 - i) the amount of the Industrial Revitalization Tax Exemption or the formula for determining the Industrial Revitalization Tax Exemption;
 - ii) the term of the Industrial Revitalization Tax Exemption;
 - iii) the conditions on which the Industrial Revitalization Tax Exemption is provided; and
 - iv) that a recapture amount is payable if the Industrial Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.

INDUSTRIAL REVITALIZATION TAX EXEMPTION

6. So long as an Industrial Revitalization Tax Exemption Certificate in respect of the Property has not been cancelled, the Property is exempt, to the extent, for the period and subject to the conditions provided in the Industrial Revitalization Tax Exemption Certificate, from general municipal property taxation (excluding specified area levies).
7. The maximum Industrial Revitalization Tax Exemption authorized under this Bylaw must not exceed the increase in the assessed value of the improvements on the Property between:
 - a) the calendar year before the construction or alteration began, as outlined in Section 4 of this Agreement; and
 - b) the calendar year in which the construction or alteration as outlined in Section 4 of this Agreement is completed.
8. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to new construction of an improvement or an alteration of an existing improvement, as outlined in Section 4 of this Agreement, as a result of the Industrial Revitalization Tax Exemption
9. The Industrial Revitalization Tax Exemption shall be an amount equal to any increase in assessed value of improvements on the Property attributed to the building permit issued as a result of the new construction of an improvement or the alteration of an existing improvement, as outlined in Section 4 of this Agreement.
10. The maximum term of an Industrial Revitalization Tax Exemption is contingent on when the Industrial Revitalization Tax Exemption Certificate for the Property is issued by the City pursuant to the Bylaw and the Agreement:
 - a) if the new construction or the alteration to an existing improvement as outlined in Section 4 of this Agreement have commenced on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Industrial Revitalization Tax Exemption Certificate will be issued for one (1) year and a subsequent Industrial Revitalization Tax Exemption Certificate will be issued for the next four (4) years plus a single renewal for a term of an additional five (5) years;
 - b) if the new construction or the alteration to an existing improvement as outlined in Section 4 of this Agreement have commenced and been completed on or before October 31 and will be assessed on the subsequent year's assessment roll, then the Industrial Revitalization Tax Exemption Certificate will be issued for five (5) years plus a single renewal for a term of an additional five (5) years;

11. The amount of Industrial Revitalization Tax Exemptions authorized under this Bylaw to calculate the general municipal property tax payable (excluding specified area levies) is equal to any increase in the assessed value of improvements on the Property attributed to a building permit issued as a result of new construction or the alteration to an existing improvement as outlined in Section 4 of this Agreement (hereinafter referred to as the Total Amount) and is as follows:
 - i) Years 1 to 5 - Total Amount.
 - ii) Year 6 - Total Amount less 20%
 - iii) Year 7 - Total Amount less 40%
 - iv) Year 8 - Total Amount less 60%
 - v) Year 9 - Total Amount less 80%
 - vi) Year 10 - Total Amount less 100%
No Revitalization Exemption, the Property is fully taxable.
12. The Industrial Revitalization Tax Exemption Certificate may be cancelled by the City:
 - a) on the request of the Owner;
 - b) if the Industrial zoning is changed;
 - c) the Owner breaches any covenant or condition of the Bylaw or this Agreement;
 - d) the Owner has allowed the property taxes to go into arrears or to become delinquent; or
 - e) the Property is put to a use that is not permitted in the Industrial zone.
13. To maintain an Industrial Revitalization Tax Exemption, the Occupancy Permit must be issued within twenty-four (24 months) of the Industrial Revitalization Tax Exemption Application being approved.

RECAPTURE

14. In the event that the conditions under which an Industrial Revitalization Tax Exemption Certificate was issued are no longer met by the Owner, as set out in this Agreement, the Owner must pay to the City a recapture amount of the foregone general municipal property taxes of the following applicable percentage of the total Industrial Revitalization Tax Exemptions obtained under the Bylaw:
 - a) Years 1 to 10 50%

OWNERS OBLIGATIONS

15. The Owner must pay to the City the cost of all tie-ins of works and services associated with the new construction or alteration to existing improvements, to existing storm and sanitary sewers, water mains, water meters, driveways, and other municipal services prior to the issuance of an Industrial Revitalization Tax Exemption Certificate.
16. The Owner must comply with:
 - a) all enactments, laws, statutes, regulations and Orders of any authority having jurisdiction, including bylaws of the City; and
 - b) all federal, provincial, municipal and environmental licences, permits and approvals required under applicable enactments.

OBLIGATIONS OF CITY

17. The City must issue an Industrial Revitalization Tax Exemption Certificate to the Owner in respect of the Property once the Owner has applied for and obtained an Occupancy Permit from the City under the City's Building Regulation Bylaw, in force from time to time, in relation to the new construction or alteration to an existing improvement, so long as the Owner and the Property are otherwise in compliance with the Bylaw and this Agreement.

CITY'S RIGHTS AND POWERS

18. Nothing contained or implied in this Agreement prejudices or affects the City's rights and powers in the exercise of its functions or its rights and powers under any public and private statutes, bylaws, orders, or regulations to the extent the same are applicable to the Property, all of which may be fully and effectively exercised in relation to the Property as if this Agreement had not been executed and delivered by the Owner.

GENERAL PROVISIONS

19. The City of Salmon Arm Industrial Revitalization Tax Exemption Bylaw No. 4020 and amendments thereto form an integral part of this Agreement.
20. It is mutually understood, agreed and declared by and between the parties that Salmon Arm has made no representations, covenants, warranties, guarantees, promises, or agreements (oral or otherwise), expressed or implied, with the Owner other those expressly contained in this Agreement.
21. It is further expressly agreed that the benefit of all covenants made by the Owner herein shall accrue solely to the City and this Agreement may only be modified by agreement of the City with the Owner.
22. This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.

23. The Owner shall, on the request of the City, execute and deliver or cause to be executed and delivered, all such further transfers, agreements, documents, instruments, easements, statutory rights of way, deeds and assurances, and do and perform or cause to be done and performed, all such acts and things as may be, in the opinion of the City, necessary to give full effect to the intent of this Agreement.
24. Time is of essence of this Agreement.
25. This Agreement constitutes the entire agreement between the Owner and the City with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the City with the Owner.
26. Any notice or other communication required or contemplated to be given or made by any provision of this Agreement shall be given or made in writing and either delivered personally (and if so shall be deemed to be received when delivered) or mailed by prepaid registered mail in any Canada Post Office (and if so, shall be deemed to be delivered on the sixth business day following such mailing except that, in the event of interruption of mail service notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is addressed as follows:

to the Owner at:

Name
Address

and

to the City at:

City of Salmon Arm
500 - 2 Avenue NE
Box 40
Salmon Arm BC V1E 4N2

Attention: Corporate Officer

or to such other address to which a party hereto from time to time notifies the other parties in writing.

27. a) No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement; and

- b) Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
28. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the City.
29. This Agreement shall be construed according to the laws of the Province of British Columbia.
30. A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
31. This Agreement is effective from and after the reference date in this Agreement, but only if this Agreement has been executed and delivered by the Owner executed by the City.
32. Unless otherwise expressly provided in this Agreement, the expense of performing the obligations and covenants of the Owner contained in this Agreement, and of all matters incidental to them, is solely that of the Owner.
33. The Owner represents and warrants to the City that:
- a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - c) neither the execution and delivery, nor the performance, of this Agreement shall breach any other Agreement or obligation, or cause the Owner to be in default of any other Agreement or obligation, respecting the Property; and
 - d) the Owner has the corporate capacity and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF the parties have affixed their hands and seals and where a party is a corporate entity, the corporate seal of that company has been affixed in the presence of its duly authorized officers effective the day and year first recited above.

SIGNED, SEALED AND DELIVERED BY THE
CITY OF SALMON ARM in the presence of:

Mayor

Witness

Corporate Officer

SIGNED BY THE OWNER OF THE ABOVE
NOTED PROPERTY in the presence of:

Witness

BYLAW NO. 4020

SCHEDULE "C"

Application for Industrial Revitalization Tax Exemption

Date _____ Receipt No. _____ Application No. _____

Property Owner/Applicant _____

Mailing Address _____

Telephone No. _____ Cell No. _____

Subject Property

Roll No. _____ Civic Address _____

Legal Description _____

Zoning Designation _____

Current Assessed Value _____ Business Licence No. _____

Description of Proposed Industrial Revitalization _____

Year(s) Applying For _____

Value of Construction _____ Building Permit No. _____

Note: Additional backup information may be required.

I certify that the above information is to my knowledge accurate and that I have received and read the Industrial Revitalization Tax Exemption Bylaw and applicable schedules.

Property Owner/Applicant

Date

Office Use:

Property Tax Account _____ Utility Account _____

Other Fees, Rates or Charges Outstanding _____

Notes To File _____
