

## **CORPORATION OF THE TOWNSHIP OF ESQUIMALT**

### **BYLAW NO. 2852**

A Bylaw to establish a revitalization tax exemption program

**WHEREAS** the Council of the Township of Esquimalt may, by bylaw, establish a revitalization tax exemption program;

**AND WHEREAS** Council wishes to support the beautification of the commercial and residential buildings on or near Esquimalt Road as outlined in Schedule A by partially exempting improvements from municipal property taxes calculated on the increase in assessed value, from the year of application, due to the revitalization;

**AND WHEREAS** Council has the following objectives for the program established by this Bylaw:

- to encourage beautification of the municipality through exterior alterations or upgrades to existing buildings or construction of new buildings;
- to support the conservation of built heritage; and
- to change the overall perception of the Township by creating a welcoming environment which will attract new businesses and new residential property owners.

**AND WHEREAS** Council has included within this Bylaw a description of the reasons for and the objectives of the program and a description of how the program is intended to accomplish the objectives, as required by the Community Charter

**NOW THEREFORE**, in open meeting assembled, the Council of the Township of Esquimalt enacts as follows:

#### Citation

1. This Bylaw may be cited for all purposes as "**Township of Esquimalt Revitalization Tax Exemption Bylaw, 2015, No. 2852**".

#### Definitions

2. For the purposes of this Bylaw:

"Agreement" means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the Township, substantially in the format of and with the content of Schedule B which is attached to and forms part of this Bylaw;

"Council" means the Council of the Township of Esquimalt;

"Increased Assessed Value" means the difference between the assessed value of improvements on the Parcel for the year before the commencement of the Project and the assessed value of the improvements on the Parcel for the year following issuance of the Tax Exemption Certificate, with such values determined by the local assessment authority;

## **Bylaw No. 2852**

"Parcel" means a legal parcel, of which at least 50% of the parcel's land area is within the Revitalization Area, upon which an owner proposes a Project;

"Project" means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this Bylaw, and the construction or alteration of which is begun after an application for a Tax Exemption has been submitted to, and approved by, Council;

"Revitalization Area" means one of the areas outlined on Schedule A, which is attached to and forms part of this Bylaw;

"Tax Exemption" means a revitalization tax exemption pursuant to this Bylaw;

"Tax Exemption Certificate" means a revitalization tax exemption certificate issued by the Township pursuant to this Bylaw, the relevant Agreement, and the provisions of section 226 of the Community Charter, in the form of Schedule B, which is attached to, and forms part of, this Bylaw;

"Township" means the Corporation of the Township of Esquimalt.

### **General**

3. There is hereby established a revitalization tax exemption program pursuant to the provisions of section 226 of the Community Charter.
4. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this Bylaw, in the relevant Agreement entered into between the Township and the Owner pursuant to this Bylaw, and in the Tax Exemption Certificate in relation to a particular Parcel.

### **Revitalization Tax Exemption Program**

5.
  - (a) The reasons for the Program are to encourage the construction of new buildings, and exterior alterations and improvements of existing buildings located in the Revitalization Area.
  - (b) The Program is intended to accomplish Council's objectives by providing property tax relief to Parcel owners who undertake a Project.
  - (c) In order for a Project to be considered by Council for an Agreement, the Project must be the subject of a building permit for new construction or alteration of an existing building, having a permit construction value of at least \$10,000, and be located within the Revitalization Area on one of the following property types:
    - (i) A portion of the Parcel that is zoned to permit a commercial use
    - (ii) A Parcel zoned to permit a residential use, with four or more dwellings at the completion of the construction or improvement
  - (d) 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
Years 6-8:	75% of the increased assessed value

**Bylaw No. 2852**

Years 9-10: 50% of the increased assessed value

- (e) The eligible amount of an annual Tax Exemption shall be equal to the municipal taxes payable on the incremental increase in assessed value of improvements on the Parcel, due to the revitalization between:
    - (i) the year before the commencement of the Project, and
    - (ii) each year following the year in which the Tax Exemption Certificate is issued
  - (f) The maximum term of a tax exemption that may be provided under this Bylaw is 10 years.
  - (g) Where a building is demolished and a new building is constructed, the tax exemption calculation will be based on the value of the new improvement less the value of the building that was demolished.
  - (h) Parcels currently subject to a revitalization tax exemption under this program are ineligible for any additional tax exemptions.
6. If the Owner stratifies the Parcel under the *Strata Property Act*, the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata unit for:
- (a) The current and subsequent tax year, during the currency of this Agreement if the strata plan is accepted for registration by the Land Titles Office before September 1st; or
  - (b) For the next calendar year and each subsequent tax year, during the currency of this Agreement if the strata plan is accepted for registration at the Land Titles Office after September 1st
7. In order for a Project to be considered by Council for a Tax Exemption, the owner of the Parcel must apply, in writing, to the Director of Financial Services, or designate, and submit the following with the application:
- (a) A certificate that all assessed taxes and rates, charges and fees imposed on the Parcel have been paid, and where taxes, rates or assessments are payable by instalments, that all instalments owing at the date of application have been paid;
  - (b) A completed written application in a form prescribed by the Township and available in the office of the Director of Financial Services or designate;
  - (c) A description of the Project;
  - (d) A certificate from the owner's contractor or design professional in a form satisfactory to the Director of Financial Services certifying that the Project's value will exceed \$10,000 which will be confirmed through the building permit process;
  - (e) A Tax Exemption application fee in the amount of \$100.00.

## **Bylaw No. 2852**

8. If the Tax Exemption Certificate is issued prior to October 30<sup>th</sup> of the current calendar year, then the tax exemption would be available for the following calendar year.
9. A Tax Exemption shall apply to a Parcel only after the following conditions are met:
  - (a) The Owner of the Parcel has satisfied all the provisions of the Bylaw;
  - (b) The Owner of the Parcel has entered into a valid Agreement with the Township;
  - (c) The Owner of the Parcel has satisfied all terms and conditions set out in the Agreement; and
  - (d) A Tax Exemption Certificate has been issued for the Parcel.
10. A Tax Exemption does not apply to:
  - (a) Municipal taxes imposed on the assessed value of land
  - (b) Taxes, charges or levies for local area services, specified areas, local improvement areas, or business improvement areas
  - (c) Municipal fees or charges
  - (d) Taxes imposed by a Regional District, Provincial Government or other authority.
11. Each Agreement shall require that an Owner of a Project meet the following construction requirements:
  - (a) The completed application for the building permit related to the Project must be submitted to the Township no later than six (6) months after the date of the Agreement; and
  - (b) Project construction must be completed on or before the 12 month anniversary of the date the building permit was issued for the Project.
12. Projects involving Parcels with any unpaid property taxes in arrears shall not be considered by Council for a Tax Exemption.
13. The Tax Exemption is transferable to subsequent property owners within the term of the Agreement.
14. If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the certificate is cancelled, the owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the Township an amount equal to the value of any Tax Exemption received after the date of the cancellation.
15. The Director of Financial Services, or designate, is considered the municipal officer for the purpose of section 226(12) of the Community Charter.

**Bylaw No. 2852**

16. An Agreement may include additional terms and conditions deemed necessary by the Director of Financial Services, or designate, in his or her sole discretion, acting reasonably.

READ a first time this 1<sup>st</sup> day of June , 2015

READ a second time this 1<sup>st</sup> day of June , 2015

READ a third time this 6<sup>th</sup> day of July , 2015

ADOPTED this 24<sup>th</sup> day of August , 2015

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BARBARA DESJARDINS, MAYOR

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ANJA NURVO, CORPORATE OFFICER

