

TOWN OF LADYSMITH



REVITALIZATION TAX EXEMPTION – Economic Program Bylaw

SEPTEMBER 17, 2012

CONSOLIDATED FOR CONVENIENCE ONLY

A BYLAW TO ESTABLISH A REVITALIZATION TAX EXEMPTION – ECONOMIC PROGRAM

The amendment bylaws which are included in this consolidated version of the “Bylaw Title” are:

2016

as on October 21, 2019

REVITALIZATION TAX EXEMPTION – Economic Program Bylaw CONSOLIDATION

This consolidation of the Revitalization Tax Exemption – Economic Program Bylaw and amendments has been prepared exclusively for the use of the Town of Ladysmith for convenience only.

The Town of Ladysmith does not represent that this consolidation is accurate or complete and anyone using this material should confirm its content by reference to the original Bylaws.

BYLAW NO. 1807

A Bylaw to Establish a Revitalization Tax Exemption – Economic Program

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

AND WHEREAS Council wishes to establish a revitalization tax exemption for economic revitalization in order to encourage the commercial and industrial redevelopment of those areas, identified in Schedule “A” of this Bylaw, which are experiencing challenges in attracting and retaining investment;

AND WHEREAS Council wishes that the following objectives of the program be established by this Bylaw:

- To stimulate construction and alteration of buildings within Ladysmith; and
- To encourage new business investment in commercial and industrial used lands and, in turn, encourage new employment; and
- To promote a higher standard of urban design within business areas and employment areas in order to increase the attractiveness of these locations; and
- Generally reinforce the Town’s commitment to economic revitalization.

AND WHEREAS Council has included within this Bylaw a description of the reasons for and objectives of the program and a description of how the program is intended to accomplish the objective, as required by the section 227 of the *Community Charter* and consider this bylaw in conjunction with the objectives and policies set out in section 165 (3.1)(c) of the *Community Charter* and in the Town’s financial plan.

NOW THEREFORE the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

Eligible Development

1. For the purposes of this Bylaw, any proposed development that occurs within the lands shown in coloured shading with assessment class of either Class 4 (Major Industry), Class 5 (Light Industry), or Class 6 (Business/Other) on Schedule A attached to and forming part of this Bylaw constitutes a class of eligible development for that purpose.

2. In this bylaw:

- | | |
|---------------------------------|---|
| “Assessed Value” | means the most recent assessed value of the Parcel for land and improvement as determined by the BC Assessment Authority |
| “Baseline Assessment” | means the last published assessed value of the Parcel for land and improvements prepared by the BC Assessment immediately before the commencement of the Project; |
| “Commercial and Industrial Use” | means a Parcel classed by BC Assessment as Class 4, 5 or 6 and located within the Revitalization Area; |
| “Council” | means the council of the Town of Ladysmith; |
| “Parcel” | means a legal parcel within the Revitalization Area upon which an owner proposes a Project; |
| “Project” | means an eligible revitalization Project on a Parcel involving the construction or alteration of an existing improvement; |
| “Revitalization Area” | means those areas included with the areas shown shaded on Schedule “A” |
| “Tax Exemption” | means a municipal revitalization tax exemption pursuant to a Tax |

Exemption Certificate;

“Tax Exemption Certificate” means a revitalization tax exemption certificate issued by the Town pursuant to this Bylaw and pursuant to the provisions of Section 226 of the Community Charter, in the form attached as Schedule “C”, which is attached to and forms part of this Bylaw.

3. The Program is hereby established pursuant to the provisions of section 226 of the *Community Charter* which is intended to achieve its objectives by providing property tax relief to property owners who undertake eligible construction within the Revitalization Area.

4. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this Bylaw, in the Agreement and in the Tax Exemption Certificate.

Bylaw 2016 5. The maximum amount of the annual Tax Exemption shall be equal to the municipal portion of property taxes imposed under section 197(1)(a) of the *Community Charter* on that part of the Assessed Value calculated by deducting the Baseline Assessment from the current Assessed Value and multiplying the difference by the current municipal tax rate.

6. The Revitalization Tax Exemption shall not include an exemption from any parcel tax, local service tax or business improvement area tax payable in the designated area in which the Parcel is located.

Bylaw 2016 7. Council may provide a Tax Exemption under this Bylaw to an owner of eligible lands where:

a) The Parcel is the subject of a building permit for construction of a new building or improvement or alteration of an existing building or improvement having a project value, as determined by the building inspector, of \$200,000 (two hundred thousand dollars) or greater for the portion that is deemed the eligible Project;

b) The Project is for a use that:

- i. is one of the uses permitted in the applicable zone for the Parcel, as set out in the Town of Ladysmith Zoning Bylaw as amended from time to time;
- ii. is consistent with the future land use designation for the Parcel, as set out in the Official Community Plan Bylaw as amended from time to time; and
- iii. meets all other applicable Town policies and bylaws;

c) The owner of the Parcel enters into a Revitalization Tax Agreement with the Town substantially in the form attached to this Bylaw as Schedule “B”; and

d) The building permit was issued after July 1, 2019, and the Occupancy Permit is issued within two (2) years following the issuance of the building permit.

Bylaw 2016 8. This Bylaw does not apply to:

a) a Parcel currently subject to another tax exemption from the Town; and

b) a Parcel in respect of which there are property taxes in arrears.

Bylaw 2016 9. The maximum term of a Tax Exemption shall be:

a) five (5) years for Projects valued greater than \$200,000 (two hundred thousand dollars) and less than \$2,500,000 (two million five hundred thousand dollars), at 100% of the maximum tax exemption calculated under Section 5; and

b) ten (10) years for Projects valued greater than \$2,500,000 (two million five hundred thousand dollars) as follows:

- i. Years 1 through 5 at 100% of the maximum tax exemption calculated under Section 5;
- ii. Year 6 at 90% of the maximum tax exemption calculated under Section 5;
- iii. Year 7 at 80% of the maximum tax exemption calculated under Section 5;

- iv. Year 8 at 70% of the maximum tax exemption calculated under Section 5;
 - v. Year 9 at 60% of the maximum tax exemption calculated under Section 5; and
 - vi. Year 10 at 50% of the maximum tax exemption calculated under Section 5.
10. The Tax Exemption is attached to the Parcel and is transferrable to subsequent property owner within the term of the Agreement.
 11. If an owner wishes Council to consider entering into an Agreement with the owner, the owner must apply to the Director of Financial Services in writing and must submit the following with the application:
 - a) a certificate that all taxes assessed 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; and
 - b) a completed written application in a form prescribed by the Town; and
 - c) a description of the Project from the owner's design professional in a form acceptable to the Town, including details regarding the extent and value of the applicable portion of the Project certifying that the construction value of the Project will exceed \$200,000, which will be confirmed through the building permit process; and
 - d) a fee in the amount prescribed by the Town of Ladysmith "Fees and Charges Bylaw 2007, No. 1644", payable upon approval in principle of the Project.
 12. Once the requirements established under this Bylaw and the Tax Exemption Agreement have been fulfilled, a Tax Exemption Certificate must be issued for the Parcel in the form attached as Schedule "C" attached to and forming part of this Bylaw.
 13. A Tax Exemption Certificate issued for the Parcel is subject to the condition that all of the conditions set out in the Agreement continue to be met.
 14. A Tax Exemption Certificate may be cancelled by Council if any of the conditions set out in the Agreement are not met.
 15. During the term of the Bylaw, the tax exemption amount received by the owner must be repaid to the Town if the building is destroyed or altered without proper authorization from the Town (other than by a natural disaster) or if the use of the building on the Property is discontinued for a period of more than three (3) months. In either of these circumstances, the exemption certificate will be cancelled. If such cancellation occurs, the owner of the property for which the certificate was issued will remit to the Town an amount equal to the total value of the current year exemption received under this Agreement within 30 days of cancellation. If the amount is not paid within that 30 day period, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.
 16. The Director of Finance for the Town is designated the municipal officer for the purpose of section 226(13) of the *Community Charter*.

Citation

17. This Bylaw may be cited for all purposes as "Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012, No 1807".

READ A FIRST TIME	on the	4 th	day of	September,	2012
READ A SECOND TIME	on the	4 th	day of	September,	2012
READ A THIRD TIME	on the	4 th	day of	September,	2012
ADOPTED	on the	17 th	day of	September,	2012

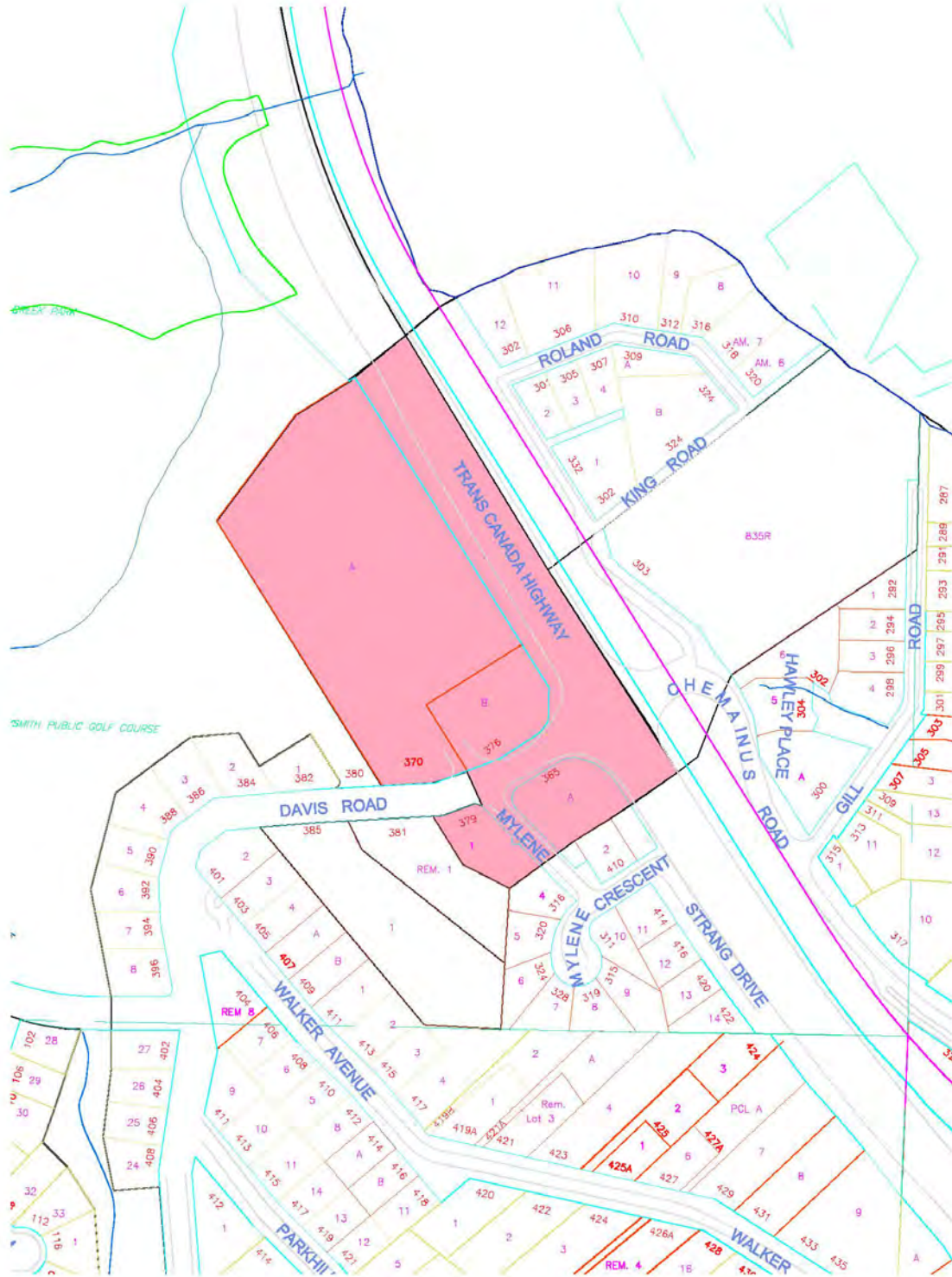
Mayor (R. Hutchins)

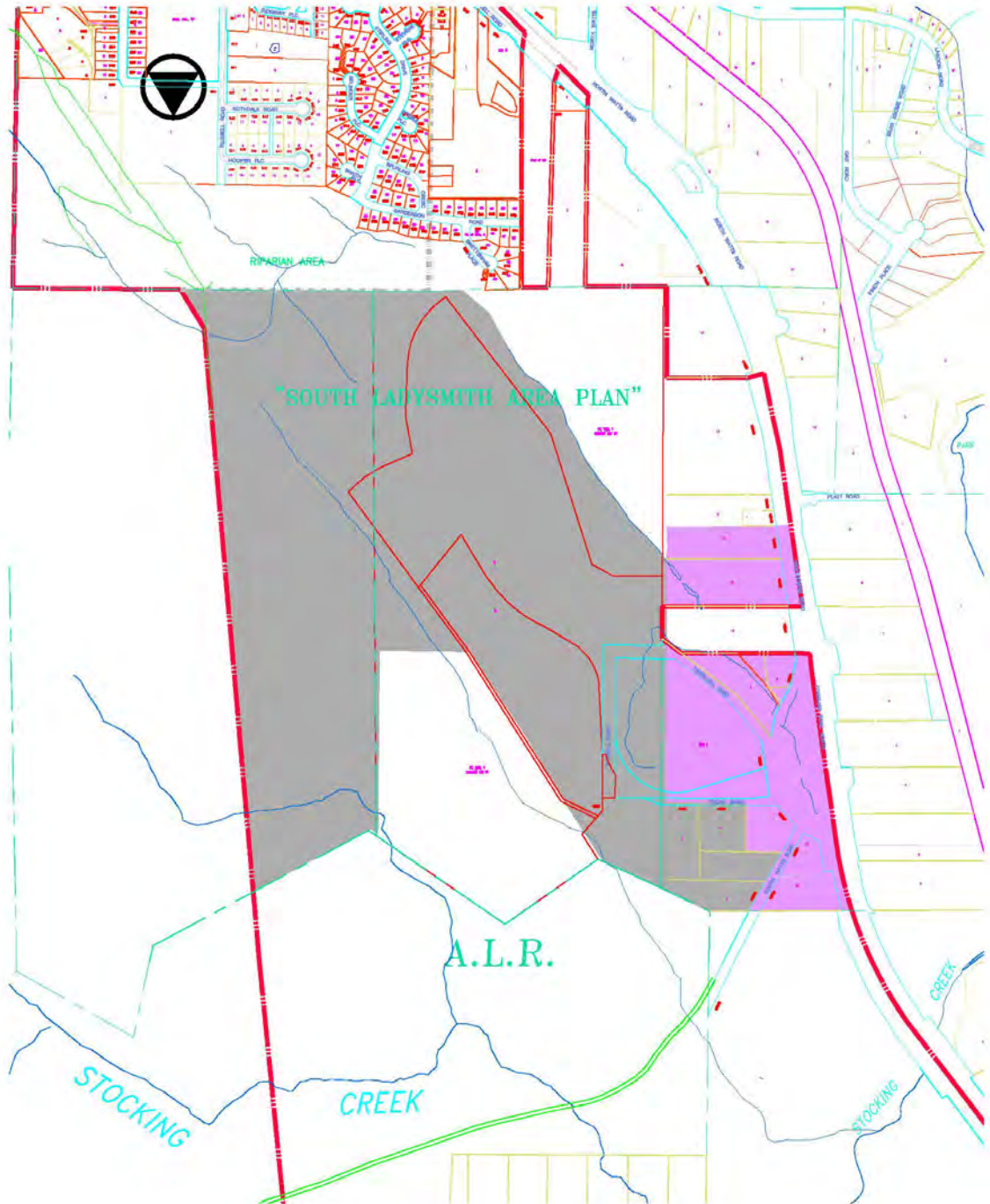
Corporate Officer (S. Bowden)

Schedule A
Designated Areas



Bylaw 2012, No. 1807
Schedule "A" – Designated Areas





Bylaw 2016

Schedule "B"
Revitalization Tax Exemption - Economic Agreement

THIS AGREEMENT dated for reference the ____ day of _____, 20____ is

BETWEEN:

(the "Property Owner")

AND:

TOWN OF LADYSMITH
410 Esplanade, PO Box 220
Ladysmith, BC
V9G 1A2

(the "Town")

GIVEN THAT:

- A. The Property Owner is the registered owner in fee simple of lands in the Town of Ladysmith at [*civic address*] legally described as [*legal description*] (the "Property");
- B. Council has established a revitalization tax exemption program under the Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012 No. 1807, as amended (the "Bylaw"), under which the Property is included within the revitalization area; and
- C. This Agreement contains the terms and conditions respecting the granting of a municipal property tax exemption under the Bylaw;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Property Owner and the Town covenant and agree each with the other as follows:

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

“Assessed Value”	means the most recent assessed value of the Parcel for land and improvement as determined by the BC Assessment Authority
“Baseline Assessment”	means the last published assessed value of the Parcel for land and improvements prepared by the BC Assessment Authority immediately before the commencement of the Project;
“Bylaw”	means Town of Ladysmith Revitalization Tax Exemption – Economic Revitalization Bylaw 2012 No. 1807, , as amended.
“Commercial and Industrial Use”	means Parcel assessed as Class 4, 5 or 6 and located within the Revitalization Area;
“Council”	means the council of the Town of Ladysmith;
“Property”	means the lands legally described as

;

“Project”	means an eligible revitalization Project on the Property involving the construction or an alteration of an existing improvement;
“Revitalization Area”	means a Parcel which is currently within a land use designation as indicated on Schedule “A”
“Tax Exemption”	means a municipal revitalization tax exemption pursuant to a Tax Exemption Certificate;
“Tax Exemption Certificate”	means a revitalization tax exemption certificate issued by the Town pursuant to this Bylaw and pursuant to the provisions of Section 226 of the Community Charter, in the form attached as Schedule “C”, which is attached to and forms part of the Bylaw.

1. **The Project** – The Property Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, and, without limiting the generality of the foregoing, the Property Owner covenants to use its best efforts to ensure that the Project will:
 - (a)
 - (b)
 - (c)
2. **Operation and Maintenance of Project** – Throughout the term of the Tax Exemption the Property Owner must operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.
3. **Revitalization Tax Exemption** – Subject to fulfillment of the conditions set out in this Agreement and in the Bylaw, the Town will issue a revitalization tax exemption certificate (the “Certificate”) to the Property Owner entitling the Property Owner to a property tax exemption in respect of the Property (the “Tax Exemption”) in an amount and for the calendar years set out in this Agreement. The Certificate will be in the form attached to this Agreement as Schedule “B”.
4. **Conditions** – The following conditions must be fulfilled before the Town will issue a Tax Exemption Certificate to the Property Owner:
 - (a) The owner must obtain a building permit from the Town for the project on or before _____, 20____, and begin construction within one year on or before _____, 20____;
 - (b) The Property Owner must provide the Town with a certificate from the Property Owner’s design professional (if applicable), in form and content satisfactory to the Town’s Director of Financial Services, certifying the actual cost to construct the completed Project.
 - (c) All property taxes, business licenses, and user fees must be paid in full throughout the term of the Agreement.
 - (d) The Property Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict accordance with the building permit and the plans and specifications attached hereto as Schedule “B” and the Project must be inspected by the Town building inspector and certified complete on or before _____, 20____;

- (e) The completed Project must substantially satisfy the performance criteria set out in Schedule "C" hereto, as determined by the Town's Director of Development Services and Building Inspector;
 - (f) Variations from the original construction plan, Bylaw infractions or poor quality work may result in rescinding of the tax exemption approval;
 - (g) Any changes or upgrades made to the structure of the building due to the improvements must comply with all applicable bylaws;
5. **Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be:
- (a) during the taxation years _____ to _____, shall be equal to that part of the municipal portion of property taxes on that part of Assessed Value calculated by deducting the Baseline Assessment from the current Assessed Value and multiplying the difference by the current municipal tax rate;
 - (b) if the Project is valued greater than \$2,500,000:
 - (i) for the taxation year 20__, 90% of the tax exemption provided under section 5(a);
 - (ii) for the taxation year 20__, 80% of the tax exemption provided under section 5(a);
 - (iii) for the taxation year 20__, 70% of the tax exemption provided under section 5(a);
 - (iv) for the taxation year 20__, 60% of the tax exemption provided under section 5(a); and
 - (v) for the taxation year 20__, 50% of the tax exemption provided under section 5(a).
6. **Term of Revitalization Tax Exemption** – provided the requirements of this Agreement, and of the Bylaw are met, the Tax Exemption shall be for the taxation years _____ to _____, inclusive for a maximum of 5 years for Projects valued less than \$2,500,000 or a maximum of 10 years for Projects valued greater than \$2,500,000. If the Certificate is issued before October 30th of the current year, then the Tax Exemption will be available for the following calendar year.
7. **Compliance with Laws** – The Property Owner will construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Property and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules, regulations, or the like made under or pursuant to any such laws.
8. **Effect of Strata Property Act Subdivision** – If the Property Owner subdivides 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 lot for:
- (a) The current and each subsequent tax year during the currency of this Agreement if the strata plan is accepted for registration at the Land Title Office before May 1; 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 Title Office after May 1.
9. **Representations and Warranties** – The Owner represents and warrants to the Town that the Owner is the Owner of the Parcel for the purpose of property assessment and taxation.

10. **Cancellation** – The Town may in its discretion cancel the Certificate at any time:
 - (a) On the written request of the Property Owner; or
 - (b) Effective immediately upon delivery of a notice of cancellation to the Property Owner if at any time any of the conditions in the Exemption Certificate or the Exemption Agreement are not met.
11. **Repayment of Exempt Taxes** - During the term of the Bylaw, the tax exemption amount received by the owner must be repaid to the Town if the building is destroyed or altered without proper authorization from the Town (other than by a natural disaster) or if the use of the building on the Property is discontinued for a period of more than three (3) months. In either of these circumstances, the exemption certificate will be cancelled. If such cancellation occurs, the owner of the property for which the certificate was issued will remit to the Town an amount equal to the total value of the current year exemption received under this Agreement within 30 days of cancellation. If the amount is not paid within that 30 day period, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.
12. **No Refund** – For greater certainty, under no circumstances will the Property Owner be entitled under or pursuant to this Agreement or under or pursuant to the revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
13. **Notices.** Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Property, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:
 - (i) in the case of a notice to the Town, at:

THE TOWN OF LADYSMITH
410 Esplanade, PO Box 220
Ladysmith, BC V9G 1A2

Attention: Director of Financial Services
Facsimile: 250-245-6411
 - (ii) in the case of a notice to the Property Owner, at:

Attention:
Facsimile:

or at such other address or addresses as the party to whom such notice or other writing is to be given shall have last notified the party giving the same in the manner provided in this section.

Any notice or other writing sent in compliance with this section shall be deemed to have been given and received on the day it is given unless that day is not a Business Day, in which case the notice shall be deemed to have been given and received on the next day that is a Business Day. In this section, "Business Day" means any day other than Saturday, Sunday, any statutory holiday in the Province of British Columbia or any day on which banks generally are not open for business in Ladysmith, British Columbia.
14. **No Assignment** – The Property Owner may not assign its interest in this Agreement except to a subsequent owner in fee simple of the Property.
15. **Severance** - If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.

16. **Interpretation** - Wherever the singular or masculine is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so required.
17. **Further Assurances** - The parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this Agreement.
18. **Waiver** - Waiver by the Town of a default by the Property Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
19. **Powers Preserved** - This Agreement does not
 - (a) affect or limit the discretion, rights or powers of the Town under any enactment (as defined in the Interpretation Act, R.S.B.C. 1979, c.206, on the reference date of this Agreement) or at common law, including in relation to the use or subdivision of the Land;
 - (b) affect or limit any enactment relating to the use or subdivision of the Property, or
 - (c) relieve the Property Owner from complying with any enactment, including in relation to the use or subdivision of the Property, and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges application fees, user fees or other rates, levies and charges payable under any Bylaw of the Town.
20. **References** - Every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
21. **Enurement** - This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

Signed, Sealed and Delivered by the
TOWN OF LADYSMITH by its
authorized signatories:

Mayor:

Corporate Officer:

Signed, Sealed and Delivered by
by its authorized signatories:

Name:

Name:

Appendix "A"
(Forms Part of Schedule B)
Map of Affected Parcel

Appendix "B"
(Forms Part of Schedule B)
Plans and Specifications for the Project

Appendix "C"
(Forms Part of Schedule B)
Performance Criteria for the Project

Bylaw 2016

Schedule "C"
Revitalization Tax Exemption Certificate

Section 226 of the *Community Charter*, SBC 2003, c. 26

In accordance with the Town of Ladysmith Revitalization Tax Exemption Bylaw No. 1807, as amended (the "Bylaw"), and in accordance with the Revitalization Tax Exemption Agreement dated for reference the ___ day of _____, 20___ (the "Agreement") entered into between the Town of Ladysmith (the "Town") and

_____ (the "Owner"), the registered owner(s) of the property described below, this certificate certifies that the Property (as defined below) is subject to a revitalization tax exemption in an amount equal to:

1. For each of the taxation years 20__ to and including 20__, the municipal portion of property taxes imposed under section 197(1)(a) of the *Community Charter* on that part of the Assessed Value (as defined in the Bylaw) calculated by deducting the Baseline Assessment (as defined in the Bylaw) from the current Assessed Value and multiplying the difference by the current municipal tax rate;
2. For the taxation year 20__, 90% of the tax exemption provided under section 1 of this Certificate;
3. For the taxation year 20__, 80% of the tax exemption provided under section 1 of this Certificate;
4. For the taxation year 20__, 70% of the tax exemption provided under section 1 of this Certificate of this Certificate;
5. For the taxation year 20__, 60% of the tax exemption provided under section 1 of this Certificate;
6. For the taxation year 20__, 50% of the tax exemption provided under section 1 of this Certificate.

(the "Tax Exemption").

The Property to which the Tax Exemption applies is in the Town of Ladysmith and is legally

described as: _____,

CIVIC ADDRESS: _____

PID _____

The Tax Exemption is provided on the following conditions:

1. the Owner does not breach any covenant or condition in the Agreement and performs all obligations to be performed by the Owner set out in the Agreement and Bylaw; and
2. the Owner has not sold all or any portion of his or her equitable or legal fee simple interest in the Property without the transferee taking an assignment of the Agreement, and agreeing to be bound by it; and
3. the Owner, or a successor in title to the Owner, has not allowed the property taxes for the Property to go into arrears or to become delinquent; and
4. the Property is not put to any use that is not permitted.

If any of these conditions are not met, then the Council of the Town of Ladysmith may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, the Owner of the Property will remit to the Town an amount equal to the total value of the current year exemption received under this Certificate within 30 days of cancellation. If the amount is not paid within that 30 day period, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.