



*CORPORATION OF THE VILLAGE OF LUMBY*

***GENERAL COMMERCIAL REVITALIZATION TAX EXEMPTION***

**CORPORATION OF THE VILLAGE OF LUMBY**

BYLAW NUMBER No. 812, 2018

A bylaw to establish a revitalization tax exemption  
program in the General Commercial zone.

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

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the General Commercial zone pursuant to Section 226(4) [Revitalization tax exemption] of the Community Charter;

AND WHEREAS Council has considered this bylaw in conjunction with the objectives and policies set out under Section 165(3.1)(c) [Financial plan] of the Community Charter in its Financial Plan;

AND WHEREAS Council has given notice of the consideration of this bylaw under Section 227(3) [Notice of permissive tax exemptions] of the Community Charter;

NOW THEREFORE, in open meeting assembled, the Council of the Corporation of the Village of Lumby enacts as follows:

**1. Citation**

This bylaw may be cited as “Village of Lumby Revitalization Tax Exemption Bylaw (General Commercial) Bylaw No. 812, 2018”.

**2. Definitions**

“**Assessed Value**” will have the same meaning as set out in the *Assessment Act*.

“**Building Permit**” means authorization in writing from the Chief Building Official to perform building work regulated by the Village of Lumby Building Bylaw No. 774, 2015.

“**Chief Building Official**” includes the person appointed to that position and a person authorized by the Village to perform duties under the Lumby Building Bylaw No. 774, 2015.

“**Corporate Officer**” means the Corporate Officer of the Village of Lumby.

“**Council**” means the Council of the Village of Lumby.

“**Development Permit**” means written authorization from the CAO to proceed with exterior or façade changes to existing buildings.

“**Final Inspection Report**” means no person shall occupy a building or structure or part of a building or structure until a final report authorizing occupancy has been issued by a building official.

“**General Commercial**” means the C1 zone as identified in the Village of Lumby Zoning Bylaw No. 750, 2012 as amended and on the Zoning Map Schedule “A”.

**“New Building”** means the construction of a new separate building on a property. This does not include additions to an existing building, or foundation work only.

**“Official Community Plan”** means the Village of Lumby Official Community Plan Bylaw No. 761, 2014, as amended.

**“Permit Value”** means a calculation of the total value of any form of construction that is to be submitted by the owner to the satisfaction of the Chief Building Official.

**“Property”** means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Revitalization Tax Exemption Agreement.

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

**“Revitalization Tax Exemption Agreement”** means an agreement as set out in Schedule “B” attached hereto and forming part of this Bylaw, between the Village and an owner of a property located in the Revitalization Area as set out on Schedule “A” attached hereto and forming part of this Bylaw.

**“Revitalization Tax Exemption Certificate”** means a Revitalization Tax Exemption Certificate issued by the Village pursuant to this Bylaw.

**“Revitalization Tax Exemption Program”** means an agreement between the Village and an owner of an eligible property under this program in respect of the matters described in Section 226 of the *Community Charter*.

**“Village”** means the Corporation of the Village of Lumby.

**“Zoning Bylaw”** means the Village of Lumby Zoning Bylaw No. 750, 2012, as amended.

### **3. Revitalization Tax Exemption Program**

Council hereby establishes a Revitalization Tax Exemption Program, pursuant to Section 226 of the Community Charter, as follows:

- a) The reasons for, and objectives of, the Revitalization Tax Exemption Program are to encourage the construction of new buildings, and exterior alterations and improvements of existing buildings within the General Commercial C1 zone, as shown in Village of Lumby Zoning Map Schedule “B”, attached hereto and forming part of this bylaw.
- b) The Revitalization Tax Exemption Program is intended to accomplish Council’s objectives by providing property tax relief to property owners who undertake eligible construction within the General Commercial C1 zone.
- c) A property owner must enter into a Revitalization Tax Exemption Agreement with the Village of Lumby that determines the conditions for eligibility for a specific property. The kinds of property that will be eligible for tax exemptions under the Revitalization Tax Exemption Program are the following:
  - i. Construction of New Building

Properties that are the subject of a Building Permit for a new building having a permit value, as determined by the Chief Building Official, of \$100,000.00 or greater, where the Building Permit was issued and an occupancy permit or final inspection has been issued. New construction must conform to the land use designations and policies of the Official Community Plan.

ii. Additions to Existing Buildings

Properties that are the subject of a Building Permit for an addition to an existing building having a permit value, as determined by the Chief Building Official, of \$20,000.00 or greater, where the Building Permit was issued and an occupancy permit or final inspection has been issued. New construction must conform to the land use designations and policies of the Official Community Plan and add additional commercial, industrial or institutional space and/or an additional dwelling unit or secondary suite to an existing building.

iii. Exterior and Interior Renovations to Existing Buildings

Properties that are the subject of a Building Permit and or a Development Permit where the project does not increase floor space and have a permit value, as determined by the Chief Building Official, of \$20,000.00 or greater, where the Building Permit was issued and an occupancy permit or final inspection has been issued. To be eligible, the exterior of the building must comply or be made to comply with the Design Guidelines outlined in the Official Community Plan.

- d) Properties currently subject to a revitalization tax exemption under this program are ineligible for an additional revitalization tax exemption.
- e) The extent of the tax exemptions available under the Revitalization Tax Exemption Program is the municipal portion of the tax increase directly attributable to the increase in assessed value of the land and improvements between the highest of the previous two years of assessment prior to the start of construction and the year the project is completed. Except for c) iii where the extent of the exemption available will be equal to the construction value as approved by the Building official of the building permit.
- f) The amount of the tax exemptions that may be provided under this bylaw in any year is calculated as follows:
  - i. Years 1 - 5: 100% of the increased assessed value
  - ii. Years 6 - 10: 50% of the increased assessed value
- g) The maximum term of a tax exemption that may be provided under this bylaw is 10 years.

#### **4. Requirements for Exemption Certificate Issuance**

Before an Exemption Certificate will be issued under this bylaw for a particular property, the following requirements must be met:

- a. A completed written application as per Schedule "C" attached hereto and forming part of this Bylaw delivered to the Corporate Officer.

- b. The property owner must have been issued a Final Inspection Report in respect to the development which is eligible for incentives under this bylaw;
- c. All property taxes, including penalties and interest, due and owing in respect of the property must be fully paid; and
- d. The property owner must have entered into a Revitalization Tax Exemption Agreement with the Village and have completed any required conditions.

**5. Issuance of an Exemption Certificate**

Once the conditions established under this Bylaw and the Revitalization Tax Exemption Agreement have been met as set out in Schedule "B" attached hereto and forming part of this Bylaw, a Revitalization Tax Exemption Certificate must be issued for the property, which specifies the following:

- a. The term of the tax exemption;
- b. The formula for determining the tax exemption;
- c. The conditions on which the tax exemption is provided; and
- d. That a recapture amount is payable if the certificate is cancelled and how that amount is to be determined.

**6. Conditions within an Exemption Certificate**

An Exemption Certificate issued under this bylaw will be subject to the property owner complying with all of the following conditions:

- a. All property taxes, including penalties and interest, that are payable in respect of the eligible property, and all other properties within the Village owned by that person/entity, must be fully paid;
- b. Any criteria which made the development eligible for incentives under this bylaw must be maintained for the duration of the tax incentive available under this bylaw; and
- c. The property owner/entity must not be in breach of the Revitalization Tax Exemption Agreement.

**7. Recapture of Exempted Taxes**

If a property that has benefited from a tax exemption under the Revitalization Tax Exemption Program established by this bylaw ceases to meet all the conditions of the Exemption Certificate as a result of wilful alterations, then the Exemption Certificate shall be cancelled and all the taxes which were exempted in respect of that property shall be repaid, plus interest, as if the taxes had never been exempted, and the Collector shall add those taxes to the roll for that property.

**8. Severability**

If any section, subsection, clause or phrase of this bylaw is held to be invalid for any reason by a court or competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of the bylaw.

READ A FIRST TIME this 18<sup>th</sup> day of June, 2018.

READ A SECOND TIME this 18<sup>th</sup> day of June, 2018.

READ A THIRD TIME, this 18<sup>th</sup> day of June, 2018.

NOTICE pursuant to Section 227(3) of the Community Charter provided on the 6<sup>th</sup> day of July 2018, and the 13<sup>th</sup> day of July, 2018.

ADOPTED this 16<sup>th</sup> day of July, 2018.



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Mayor



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Corporate Officer



**BYLAW No. 812, 2018**

**SCHEDULE "B"**

**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

Village of Lumby (hereinafter called the Village)

1775 Glencaird Street

Box 430

Lumby BC V0E 2G0

**OF THE SECOND PART**

WHEREAS the Village has under the Bylaw defined in this Agreement established a revitalization tax exemption program for the purpose of encouraging revitalization of an area of the municipality;

AND WHEREAS Council's objective is to stimulate and reinforce development initiatives in the Revitalization Area by promoting property investment within the C-1 General Commercial zone and to reinforce the Village'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 Village Council as a 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 a Revitalization Tax Exemption under the Bylaw defined in this Agreement;

AND WHEREAS the Property that is subject of this Agreement is zoned C1, General Commercial and shall remain zoned C1, General Commercial for the duration of this Agreement;

AND WHEREAS the Owner and the Village 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 Village consideration in the amount of \$100.00 (One Hundred) Dollars, the receipt and sufficiency of which are acknowledged by the Village, the Village 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 "Village of Lumby Revitalization Tax Exemption Bylaw No. 812, 2018", in force from time to time;

"Council" means the Council of the Village of Lumby;

"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 a Revitalization Tax Exemption is applied for and as legally described in the Agreement;

## TERM

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

## RENEWAL

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

## **APPLICATION IMPROVEMENTS**

4. The 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 \$100,000.00; or
  - b) alteration of an existing improvement, where the value of the alteration referred to in the building permit is in excess of \$20,000.00;

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 a Revitalization Tax Exemption will not be eligible for consideration.

## **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 Village has issued an Occupancy Permit / Final Inspection under the Village's Building Regulation Bylaw, in force from time to time, in respect of the new improvement or alteration of an existing improvement, the Village must issue a Revitalization Tax Exemption Certificate to the Owner of the Property if the Owner and the Property are otherwise in compliance with this Agreement.
  - b) A 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 Revitalization Tax Exemption or the formula for determining the Revitalization Tax Exemption;
    - ii) the term of the Revitalization Tax Exemption;
    - iii) the conditions on which the Revitalization Tax Exemption is provided; and
    - iv) that a recapture amount is payable if the Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.

## **REVITALIZATION TAX EXEMPTION**

6. So long as a 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 Revitalization Tax Exemption Certificate, from municipal property taxation (excluding specified area levies).

7. The maximum 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 Revitalization Tax Exemption
9. The 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 a Revitalization Tax Exemption is contingent on when the Revitalization Tax Exemption Certificate for the Property is issued by the Village pursuant to the Bylaw and the Agreement:
  - a) if the construction or alterations 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 Revitalization Tax Exemption Certificate will be issued one (1) year and a subsequent 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 construction or alterations 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 Revitalization Tax Exemption Certificate will be issued five (5) years plus a single renewal for a term of an additional five (5) years;
11. The amount of 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 construction or alterations as outlined in Section 4 of this Agreement (hereinafter referred to as the Total Amount) and is as follows:
  - a) Year 1 - 5      Total Amount
  - b) Year 6 - 10      Total Amount less 50%

12. The Revitalization Tax Exemption Certificate may be cancelled by the Village:
  - a) on the request of the Owner;
  - b) if the C1, General Commercial zoning is changed;
  - c) the Owner breaches any covenant or condition of the Bylaw or this Agreement;
  - d) 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 C1, General Commercial zone.
13. To maintain a Revitalization Tax Exemption, the Occupancy Permit must be issued within twenty-four (24 months) of the revitalization tax exemption application being approved.

#### **RECAPTURE**

14. In the event that the conditions under which a Revitalization Tax Exemption Certificate was issued are no longer met by the Owner, as set out in Section 7 of this Agreement, the Owner must pay to the Village a recapture amount of the foregone property taxes of the following applicable percentage of the total Revitalization Tax Exemptions obtained under the Bylaw:
  - a) Years 1 to 10                      50%

#### **OWNERS OBLIGATIONS**

15. The Owner must pay to the Village the cost of all tie-ins of works and services associated with the new improvements or alteration to improvements, to existing storm and sanitary sewers, water mains, water meters, driveways, and other municipal services prior to the issuance of a 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 Village; and
  - b) all federal, provincial, municipal and environmental licences, permits and approvals required under applicable enactments.

## **OBLIGATIONS OF VILLAGE**

17. The Village must issue a 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 Village under the Village's Building Regulation Bylaw, in force from time to time, in relation to the new improvements or alterations to an existing improvement, so long as the Owner and the Property are otherwise in compliance with the Bylaw and this Agreement.

## **VILLAGE'S RIGHTS AND POWERS**

18. Nothing contained or implied in this Agreement prejudices or affects the Village'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 Village of Lumby Revitalization Tax Exemption Bylaw No. 812, 2018 and amendments thereto form an integral part of this Agreement.
20. It is mutually understood, agreed and declared by and between the parties that Lumby 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 Village and this Agreement may only be modified by agreement of the Village 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 Village, 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 Village, 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 Village with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the Village 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 Village at:

Village of Lumby  
1775 Glencaird Street  
Box 430  
Lumby BC V0E 2G0

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 Village.
29. This Agreement shall be construed according to the laws of the Province of British Columbia.
30. A reference in this Agreement to the Village 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 Village.

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 Village 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 Lands; 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  
VILLAGE OF LUMBY in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Corporate Officer

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

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_

**BYLAW No. 812, 2018**

**SCHEDULE "C"**

**Application for 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 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 Revitalization Tax Exemption Bylaw and applicable schedules.

\_\_\_\_\_  
Property Owner/Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner/Applicant

\_\_\_\_\_  
Date

**Office Use:**

Property Tax Account \_\_\_\_\_ Utility Account \_\_\_\_\_

Other Fees, Rates or Charges Outstanding \_\_\_\_\_

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Notes To File \_\_\_\_\_