



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 1960-20-2501/RTE00007

From: Acting Director of Development Services

Date: July 30, 2025

Subject: Downtown Revitalization Tax Exemption – 407 4th Street

PURPOSE:

For Council to consider entering into a revitalization tax exemption agreement pursuant to the Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018 for the property located at 407 4th Street [LOT 1 SECTION 61 COMOX DISTRICT PLAN EPP141927].

BACKGROUND:

The applicant has been issued Development Variance Permit No. 2403, Development Permit No. 2407 and has submitted a Building Permit application to construct a 4-storey mixed-use commercial and apartment building consisting of 4 commercial retail units (CRUs) and 36 residential dwelling units. Formerly 407 and 419 4th Street, the two lots were recently consolidated. Prior to demolition each lot contained a single detached residential building that was most recently used by small businesses.

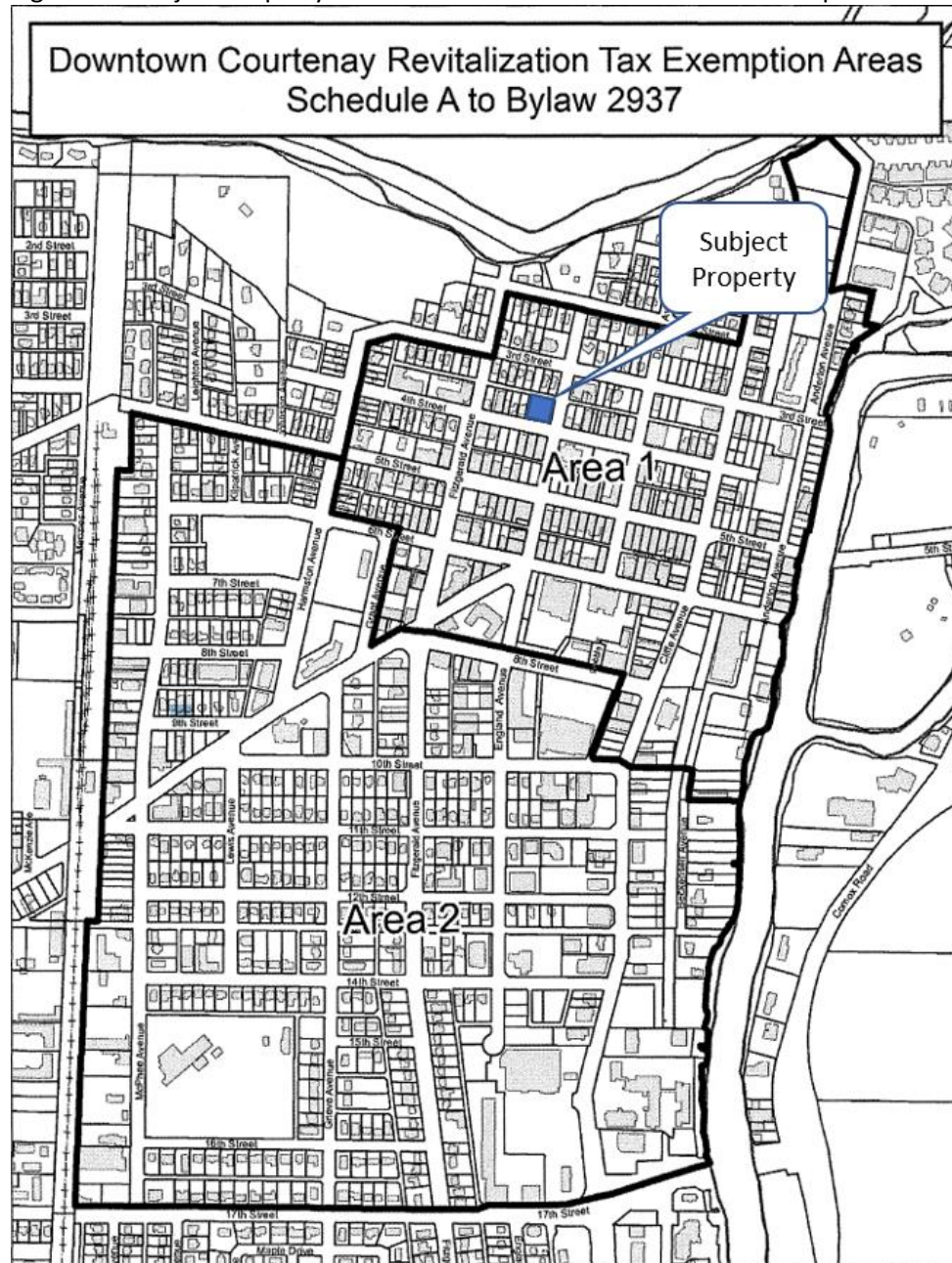
The subject property falls within “Area 1” identified in the Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018 and is eligible for a 100 percent municipal tax exemption for 5 years (as shown in **Figure 1**).

DISCUSSION:

The applicant has satisfied the eligibility criteria for a tax exemption as outlined in Section 4.1 of the Bylaw. Pursuant to Section 5 of the bylaw, the application is eligible for a 100 percent exemption of the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the property resulting from the new construction. The exemption is for a period of five (5) years that begins once the building has received Final Building Permit Inspection (Occupancy).

The dates for construction commencement and completion and the years that span the tax exemption term outlined in the draft Revitalization Tax Exemption Agreement (**Attachment 1**) are the best estimates at this time. Should the dates require minor adjustments due to unforesee project delays, staff will amend the dates within the agreement accordingly.

Figure 1 – Subject Property within Downtown Revitalization Tax Exemption Areas



FINANCIAL IMPLICATIONS:

Table 1 summarizes the pre- and post-development estimate of the municipal portion of property taxes over the next 5 years (2026-2030 inclusive) based on the tax rates in 2025-2029 Financial Plan and the 5-year tax rate average to project the rate for the year 2030. The estimates are created on the assessed value of \$340,878 per unit (36 units) and 500 m² of commercial space at approximately \$2,826 per m² for a total of \$13,684,715 in building improvements.

The resultant estimate is a total \$296,777 in taxes eligible for exemption. Staff note that these are estimates only and the final exemption will vary based on post development assessed values of the improvements and on the tax rate approved for each year the actual exemption period takes place.

Table 1: Estimated Tax Exemption Summary

	2026	2027	2028	2029	2030	Total
Pre-Development Municipal Taxes on Improvement	\$3,374	\$3,604	\$3,841	\$4,066	\$4,387	\$19,272
Post-Development Municipal Taxes on Improvement	\$55,325	\$59,102	\$62,991	\$66,686	\$71,945	\$316,049
Amount Exempted from Municipal Taxes	\$51,951	\$55,498	\$59,150	\$62,620	\$67,558	\$296,777

ADMINISTRATIVE IMPLICATIONS:

Processing Downtown Revitalization Tax Exemption applications is a statutory component of the corporate work plan and a core duty of the Development Services Department. Work to date has primarily been carried out by Development Services staff, although the Financial Services Department has had a direct role in the financial analysis and drafting of this report.

POLICY IMPLICATIONS:

The Official Community Plan has supportive policy with a focus on downtown redevelopment and infill/densification of properties for residential development. This is reflected in the current Downtown Revitalization Tax Exemption Bylaw (2018) adopted following the creation of the Downtown Playbook (2016). This vitalization tool and policy will be explored further through the concurrent Downtown Vitalization Local Area Plan process and OCP update process and provided for Council's consideration following the conclusion of those planning exercises.

STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Support investment and redevelopment in downtown core: Review and evaluate Downtown development incentives e.g. fast tracking/density bonuses/DCC

PUBLIC ENGAGEMENT:

Public consultation took place during the development of the Downtown Courtenay Revitalization Tax Exemption Bylaw. No engagement is required for this individual application.

OPTIONS:

1. THAT Council direct staff to enter into a Downtown Revitalization Tax Exemption Agreement with Renwest Investments Ltd., Inc. No. BC1350656 for the property legally described as Lot 1 Section 61 Comox District Plan EPP141927 (407 4th Street); and

THAT Council direct staff to issue a Tax Exemption Certificate to Renwest Investments Ltd., Inc. No. BC1350656 for the property legally described as Lot 1 Section 61 Comox District Plan EPP141927 (407 4th Street).

2. THAT Council provide alternative direction to staff.
3. THAT Council reject the Downtown Revitalization Tax Exemption application for the property legally described as Lot 1 Section 61 Comox District Plan EPP141927 (407 4th Street).

ATTACHMENTS:

1. Draft Revitalization Tax Exemption Agreement

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