



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 1960-20-2502/RTE00008

From: Director of Development Services

Date: July 30, 2025

Subject: Downtown Revitalization Tax Exemption – 1100 Beckensell Avenue

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 1100 Beckensell Avenue [LOT A SECTION 69 COMOX DISTRICT PLAN EPP143842].

BACKGROUND:

Until recent consolidation, the subject property consisted of four lots, three of which were owned by the current applicant and one which was sold to the applicant by the City for the reason of consolidation and the development of purpose-built rental housing. The lot (formerly lots) was rezoned from a combination of Commercial Two (C-2) and Multiple Use Two (MU-2) zones to Comprehensive Development Zone Forty-One (CD-41) through adoption of Zoning Amendment Bylaw No. 3059 in December 2024. Since rezoning, the applicant has been issued Development Permit No. 2324 and Environmental Development Permit No. 2416 and has submitted a Building Permit application to construct a 4-storey rental apartment building consisting of 104 dwelling units.

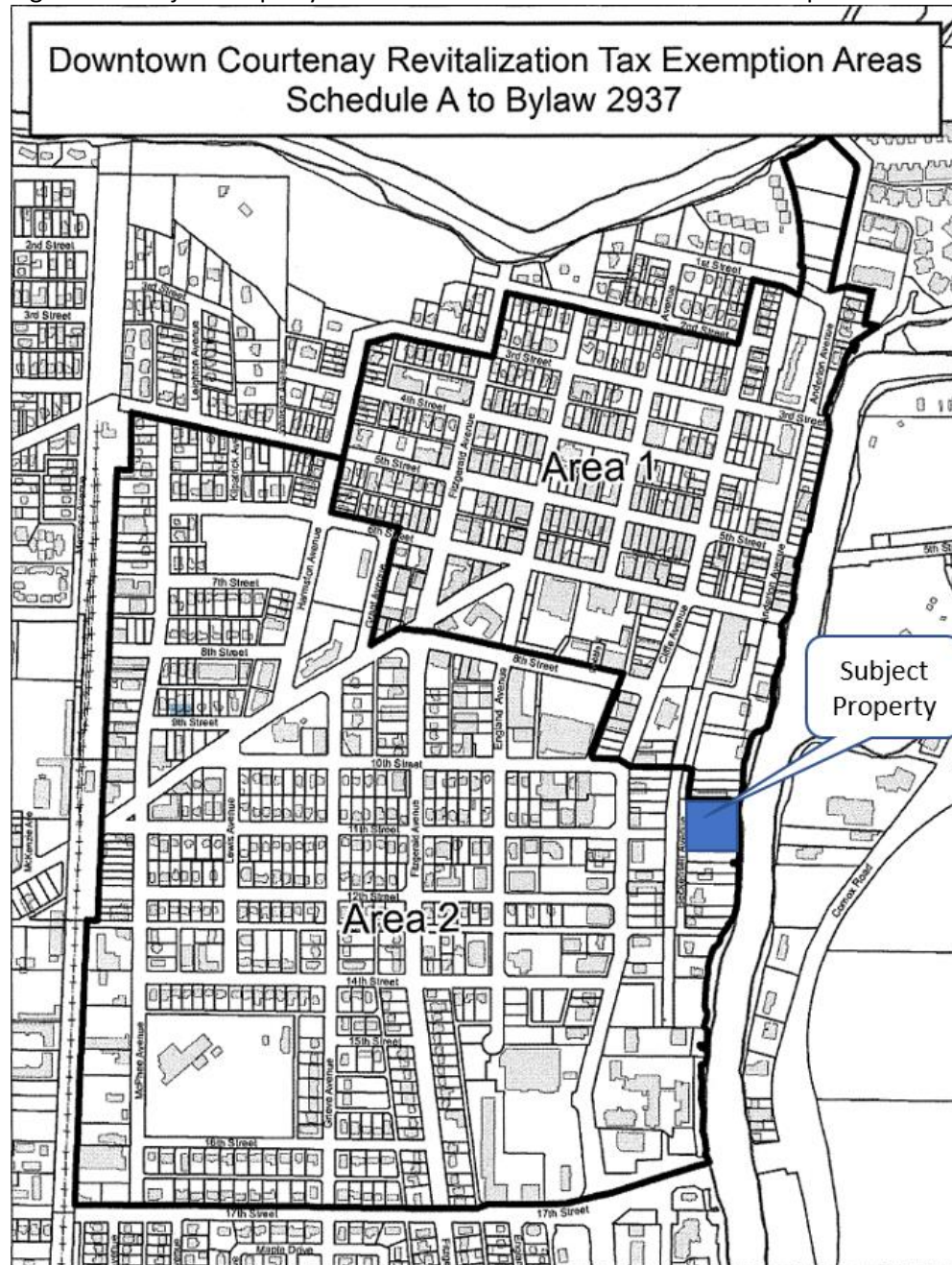
The subject property falls within “Area 2” identified in the Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018 and is eligible for a 100 percent municipal tax exemption for 5 years (as shown in **Figure 1**).

DISCUSSION:

The applicant has satisfied the eligibility criteria for a tax exemption as outlined in Section 4.1 of the Bylaw. Pursuant to Section 6 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 five 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 based on an assessed value of \$340,878 per unit (104 units) for a total of \$35,451,332 in building improvements.

The resultant estimate is a total \$607,964 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	\$1,224	\$1,308	\$1,394	\$1,476	\$1,592	\$6,994
Post-Development Municipal Taxes on Improvement	\$107,649	\$114,999	\$122,566	\$129,755	\$139,989	\$614,958
Amount Exempted from Municipal Taxes	\$106,425	\$113,691	\$121,172	\$128,279	\$138,397	\$607,964

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 revitalization 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 Pacswell Developments Courtenay GP2 Inc., Inc. No. BC1431532 for the property legally described as LOT A SECTION 69 COMOX DISTRICT PLAN EPP143842 (1100 Beckensell Avenue); and

THAT Council direct staff to issue a Tax Exemption Certificate to Pacswell Developments Courtenay GP2 Inc., Inc. No. BC1431532 for the property legally described as LOT A SECTION 69 COMOX DISTRICT PLAN EPP143842 (1100 Beckensell Avenue).
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 A SECTION 69 COMOX DISTRICT PLAN EPP143842 (1100 Beckensell Avenue).

ATTACHMENTS:

1. Draft Revitalization Tax Exemption Agreement

Prepared by: Jacob Cramer, Planner II

Reviewed by: Nancy Gothard, RPP, MCIP, Manager of Community and Sustainability Planning
Adam Langenmaier, Director of Finance
Rob Dickinson, Acting Director of Development Services

Concurrence: Geoff Garbutt, M.Pl., MCIP, RPP, City Manager (CAO)